DOCUMENT RESUME

ED 242 038 EA 016 540

AUTHOR	Leider, Robert
TITLE	Students' Guide to Scholarships and Loans.
INSTITUTION	National Association of Secondary School Principals, Reston, Va.
REPORT NO	ISBN-0-917760-37-9
PUB DATE	83
NOTE	68p.; Some sections of small print may not reproduce.
AVAILABLE FROM	Publications Sales, Octameron Press, P.O. Box 3437, Alexandria, VA 22302 ($2.75). Order by commercial title: "Don't Miss Out."
PUB TYPE	Guides - General (050)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Donors; Eligibility; Family Financial Resources; Financial Support; Grants; Higher Education; Income Contingent Loans; Instructional Student Costs; Loan Repayment; *Need Analysis (Student Financial Aid); Parent Financial Contribution; Private Financial Support; *Scholarship Funds; *Scholarships; Self Supporting Students; *Student Costs; *Student Financial Aid; Student Financial Aid Officers; *Student Loan Programs

ABSTRACT

This comprehensive guide to financial aid takes college-bound students through a step-by-step process of defining their monetary needs and locating sources of finance to meet those needs. Part I provides "Useful Things to Know," including an overview of college in the eighties, 20 tips for hard times, and misconceptions that can cost time and money, followed by instructions on using the guide. Part II, "Understanding Financial Aid," shows how to calculate the difference between college costs and available resources, and provides a process analysis for developing a need-based financial aid package. It also covers consumer and personal finance aspects, including no-need awards, strategies for attracting financial aid, cash-flow problems, and long-range planning. Part III consists of 13 chapters on diverse sources of financial assistance, including college-based aid; federal, state, and private sources; parental elegibility; affiliations; rewards for excellence; athletic scholarships; money from career interests; money for minorities and women; and special situations. Part IV consists of ideas and tips for lowering the cost of education. A list of additional references is provided along with two appendixes consisting of forms and tables for determining family contributions for dependent and independent students. (TE)

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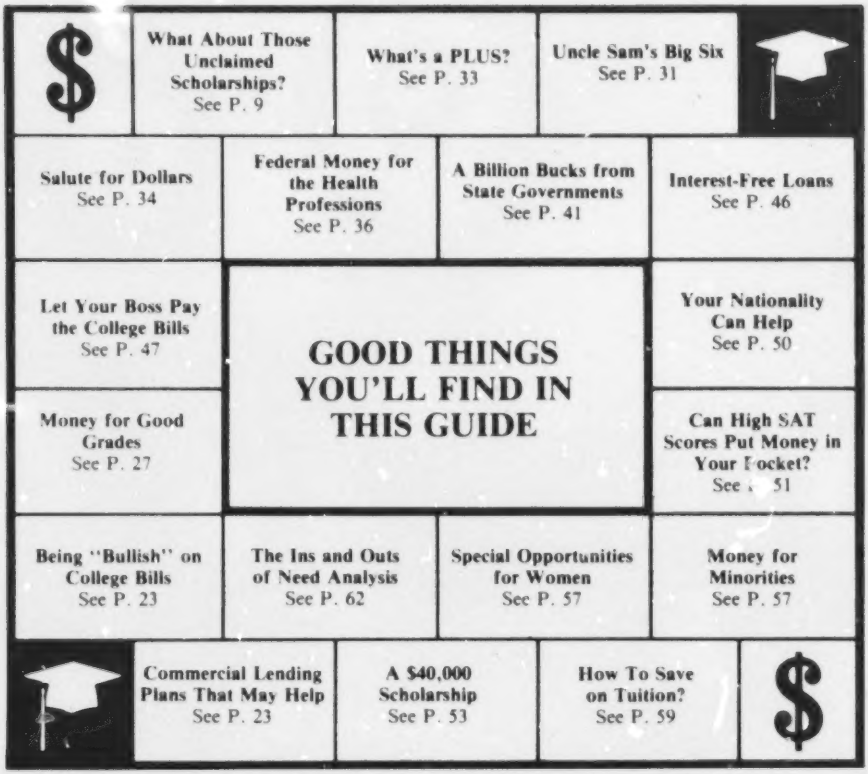
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Inquiries should be addressed to: **Octameron Associates, Inc., PO Box 3437, Alexandria, VA 22302. Telephone (703) 836-1019**

LC Number: 79-3006
Leider, Robert, 1929 —
Don't Miss Out
Bibliography:
1. Student Aid - United States - Handbooks, manuals, etc. I. Title 79-300
LB2337.4.L44 1979 378.3'0973
ISBN-0-917760-37-9
ISSN-0277-6987

PRINTED IN THE UNITED STATES OF AMERICA

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PART I — USEFUL THINGS TO KNOW

CHAPTER 1 — COLLEGE IN THE 80s

Looking for College Money Is a Family Affair

"To ignore what your parents have to spend today, you've got to be either a jerk or wealthy. . ."
(High School Student quoted in Wall Street Journal)

Well, you are not a jerk and you are not wealthy. That's why you are reading this book. Our advice: read it not once, but twice — quickly, the first time, to catch the thrust; then slowly, taking notes on the college money options that fit your situation.

After that, pass the book to your parents. Why? Because paying for college is a family affair. It's the second largest expenditure that the typical family makes. Only buying a house costs more. Also, it takes certain skills and knowledge of personal finance, money management, taxation and interest rates to design sound college payment strategies. Adults are more likely to possess these skills than you, the student.

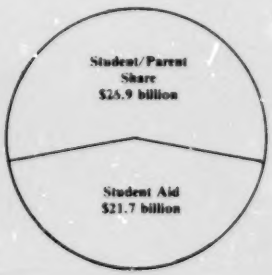
That's why the whole family must become involved in finding college money. You can't say, "Let them worry about it." They shouldn't say, "It's your problem." If everybody isn't involved or the process for finding money isn't well understood or started too late, two things can and will happen. At best, **the family will end up paying more than it should** or can afford. At worst, it will **make a frantic, unplanned, last-minute college choice** that is not in your best interest.

The Big Picture

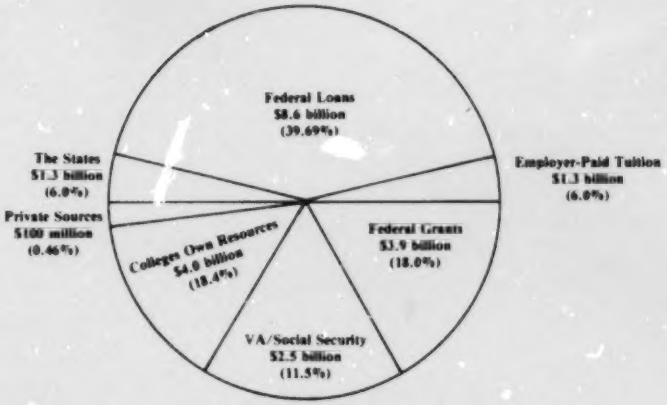
The good news is that in 1984/85 approximately $21.7 billion in student aid will be available. Another bit of good news is that even more money can be had. Uncle Sam's biggest student aid effort the Guaranteed Student Loan Program, is an entitlement program. That means everybody who is eligible can get what he or she is authorized to get. But it takes an application. In the words of the great Confucius: apply forget — no loan you get. Experts have guessed that $4 or $5 billion more could be tapped if the participation rate of eligibles jumped to 100%. Of course, if that were to occur, Uncle Sam might rebuild the program with a smaller entrance door.

The good news is balanced, as always, with bad news. Student expenses (and that includes tuition, room, board, books, fees, transportation and miscellaneous costs) will total $48.6 billion. And a second item of bad news is that student expenses, in the years that follow, will continue to take huge annual jumps while student aid will level off or even decline.

Take a hard look at **Pie Charts A** and **B**. Note that Uncle Sam, the Colleges, the States, and Employer-Paid plans are the main sources of student aid. **Not private scholarships.** Our advice: When you decide where to look first, head for the serving table where the big platters are. Don't crawl under that table, searching for crumbs. Unfortunately, many student aid seekers don't follow this advice. They pass up the big spread and make crumb picking — the one half of one percent share represented by private and local scholarships — their number one and only search effort. Dumb, dumb, dumb!



A — The Cost Pie



B — The Aid Pie

Notes to Pie Chart B:

Federal Loans includes the GSL and PLUS programs, NDSL revolving fund, HEAL and other health professions loans.

Federal Grants includes Pell, SEOG, CW-S, ROTC, military educational bonuses, military academies, health profession programs, various graduate programs, the Harry S. Truman Scholarship Foundation, and numerous smaller programs detailed in Chapter 8.

College Resources includes scholarships, the collegiate share of CW-S, non-subsidized student employment programs, short and long-term loans made from the colleges' own resources, and tuition remissions.

The States includes state grant programs and special loan programs which supplement GSL and PLUS.

Other categories are self-explanatory.

Taking the Long View

Our next point:

Paying for college isn't a one-shot transaction. You must think in terms of this year's costs, next year's, and the years after that and all the external factors that may assist you or impede you in meeting tuition bills.

How far out should your crystal ball extend? Four years, if you plan on a baccalaureate. Six years or more, if a graduate degree is your objective. Ten years or more, if yours is a family with several college-bound youngsters.

A lot can happen in four, six, or ten years. Some of it is clouded, but a few trends stand out clearly. You should be conscious of these trends and make them part of your continuous, long-range planning. Here are the most important ones:

Trend A: College Costs to Increase Faster Than Inflation

This trend doesn't rate a smiley face. But it is here and must be considered. What are the forces driving up costs?

- **Faculty pay has lagged behind** and colleges are committed to providing catch-up raises. Within that bigger trend, there are some smaller trends that bear close watching. For instance, in certain fields, such as engineering, computer science and geology, industry provides much higher salary scales than college departments. In consequence, graduate students are turning to industry and not to teaching, and professors now teaching are moving in increasing numbers from campus to corporate suites. To fight this trend, colleges will have to offer much more attractive salary packages. Meanwhile, the faculty shortages in popular areas will result in tougher admission standards for students seeking to major in these fields, more crowded classes, and less individualized attention.
- **State support of higher education is decreasing.** The nation's public universities which include such major institutions as the University of Michigan and Ohio State and the many community colleges depend on state appropriations for their survival. But state appropriations closely follow fluctuations in state economic conditions. When state revenues decline, appropriations for colleges and universities are trimmed, as higher education officials in Ohio and Michigan, among others, know all too well. To make up for reduced state revenues, many public universities are sharply **raising in-state tuitions and skyrocketing their out-of-state tuition charges** (it's okay to slip it to out-of-staters; they vote

somewhere else).

- **Fuel costs** are, proportionally, a far greater burden on college budgets than on family budgets. Old buildings, drafty halls, and a student population overloaded with electric gadgets ranging from hair dryers to popcorn poppers to home computers keep the meters spinning. The collegiate energy bill, which was $3.2 billion in 1982, could reach $6 billion in 1985, according to a Senate Committee that is grappling with the problem.
- **The Colleges as Robin Hood.** Collegiate student aid budgets, with very few exceptions, can no longer meet the financial need of all students. The bad solution that no college subscribes to: limit admission to students who can foot the bills without help. A more acceptable solution that will help insure the diverse student body which colleges want: raise tuition charges through the roof; those who can pay them will then, in effect, subsidize those who can't.
- **The declining prime age student population.** Each year the number of youngsters reaching college age is declining. The colleges' fixed costs — plant, maintenance, tenured faculty salaries — are spread among fewer paying customers. To remain solvent, each student is then asked to contribute more through higher tuitions.

Trend B: Your Fickle Uncle Sam

Uncle Sam is the main dispenser of student aid. But Uncle changes his programs every year; sometimes, he even does it twice a year. His programs expand and shrink in dollar volume. Money that is authorized may never be appropriated. If it is appropriated, it can be rescinded. Eligibility for the programs is as variable as the dollars. Don't become too dependent on your big uncle. In year A you may be eligible. In year B you are out. And the year after you are in again — but for a different amount of aid.

The instability is not limited to dollars. It also extends to their delivery. Forms may be late. Deep questions must be resolved on such matters as how to verify selective service registration. The academic year may have started, the dollars appropriated, but the machinery for delivering the dollars is still being tuned.

On top of all this, the basic law which provides federal student aid will have to be reauthorized in 1984/85. It doesn't take much imagination to foreseee that reauthorization taking place in a major election year will create an animal that has little resemblance to its forebears.

Uncle needs close watching. To watch him intelligently, you should develop a working acquaintance with "authorizations," "appropriations," "budget reconciliations," "Federal Regulations," and "rescissions." Better still, read the new edition of this book which comes out every fall. We'll do the Uncle-watching for you.

Trend C: Colleges Want You

There is a rosy side to the declining student population. Colleges now want you, more than ever before. Your parents may still think in terms of great college selectivity. For most schools, selectivity is out the window. The operating word is "survival." There are only forty institutions left that have the luxury of picking one out of every two applicants. Today, approximately 80% of students are accepted by the institutions to which they apply.

The seller's market has become a buyer's market. It widens your opportunity to shop wisely and well. And the more marketable you are — good grades, leadership, athletic ability — the more college-sponsored financial aid opportunities you will find.

Trend D: Or Maybe They Don't Want You...

Remember how the states are hurting for money? To keep educational subsidies manageable, many are reducing enrollments at their top universities by raising admission standards (expressed usually as a numerical combination of GPAs, class standing and SAT/ACT scores) or by insisting that only applicants who took a number of tough college prep courses in high school will be admitted. Colorado went so far as to actually fine the University of Colorado for admitting students in excess of a state-mandated "cap." All this is being done in the service of "quality" and "excellence." You would not be wrong if you translated "quality" and "excellence", in this context, to mean "we are broke."

And then you have the fields which are experiencing serious professor shortages — engineering, computer science. Here, too, you will find selectivity bucking the trend. It is going up.

Trend E: Tuition Aid in Return for Services

Scholarships

The nation thinks it needs more math and science teachers. How can it stimulate interest in these fields, yet continue to pay teachers minuscule wages? Easy. Provide repayable scholarships to prospective math and science teachers. If the recipients actually go into teaching, the scholarships are "forgiven." But if the recipients decide, after graduation, that working in a candy store would be more rewarding, the scholarship money must be returned. Within the next two years, federal and state versions of this program will be common. Also, expect to see the concept extended to any and all fields which can be stimulated by educational incentives that are cheaper than paying a competitive salary scale.

Salaries

Trend F: Growing Cash Flow Problems, Growing Cash Flow Help

Cash Flow

When tuitions rise faster than available student aid, parents and students must make up the difference. But this is not a *vive la difference* to be cheered. It is a nasty cash flow problem that can and will grow worse with each passing year. A cash flow problem, in case you didn't know, comes about when you have the money to pay your bills, but the money isn't liquid. It is tied up in assets such as a house and you don't want to sell the house.

Help

But take heart. Problems create solutions. Financial innovators are coming up with plans that will help with the cash flow without requiring you to place a "For Sale" sign in front of the family castle. For instance, several states have raised money on the tax-exempt bond market for no other purpose than to make you low interest college loans. Merrill Lynch has invented — and others have copied — a unique credit line that permits flexible borrowing against your home equity. A financial planner in Atlanta has designed an ingenuous savings/borrowing plan that applies leverage principles to your funds. And a large mutual fund has bought a bank so that it can make low-interest personal loans.

There is a lot going on. We'll cover it in more detail at the precise point in this book when you have thrown up your hands and said, "We can't do it. No way." That is the time to show you there is a way.

Trend G: Some Colleges Will Fold

Not all colleges will survive the decline in high school graduates which follows the nation-wide drop in births in the 1960s and 1970s. The hope of colleges to offset this loss of traditional students by enrolling numbers of "nontraditional students," such as older women, minorities, or senior citizens may be misplaced, the Brookings Institution warned.

The colleges which face the severest problems are nonselective private liberal arts colleges and the second rank of public state universities, many of which used to be state teachers colleges.

Some will have to close and such closings may be a traumatic experience for enrolled students.

Trend H: A College Education Still Pays

A college education will prepare you for a fulfilling life — for more culture, deeper knowledge, greater self-confidence, sounder health, richer pleasures, keener citizenship and vastly expanded resources for personal happiness.

It will also — and that's what you really want to hear — help you earn more money. How much more? About $340,000 more than the lifetime earnings of a contemporary whose education stopped with a high school diploma.

CHAPTER 2 — SURVIVING THE DROUGHT IN FEDERAL STUDENT AID — 20 TIPS FOR HARD TIMES

"All we can do is hope the students are resourceful enough to come up with the necessary funds."
Student Financial Aid Officer quoted in Washington Post

Know More

The student of the late seventies could always hope that if things were tight one year, the next year would be better, with more federal money flowing his way. The student in the early eighties hasn't been that lucky. He must cope with level aid funding at best, all the while tuitions keep rising, and program compression or program elimination at worst.

For this student, the slogan will be **"know more about every aspect of financial aid or dig deeper."**

Here is a quickie overview of some of the financial aid skills this student must master and some of the options that this student might consider to preclude digging deeper. Each tip is keyed to the chapter or special guide (see order form in back) where more information on the opportunity is provided.

Twenty Tips

Tip #1 — Selecting a College (I). When picking a college, go beyond the normal search criteria, such as majors offered, academic reputation, size, distance, etc., and inquire about innovative tuition aid features that may be offered. These may include **matching scholarships, sibling scholarships, guaranteed cost plans, installment plans,** special **middle income assistance** programs, **tuition remission** for high grades, **acceleration** opportunities, etc. **See Chapters 7 and 20.**

Tip #2 — Selecting a College (II). All factors being equal, pick a college that is more likely to offer you a sweet financial aid package of grants and scholarships that don't have to be repaid. Such a package is a lot better than one made up of loans which will saddle you with a repayment burden for many years after graduation. **See Chapters 6 and 7.**

Tip #3 — Understand How Need Analysis Works. Need analysis is a system for deciding how much a family can (and should) contribute to college costs. Several systems are in use: the **Uniform Methodology** (College Board and ACT), the **Pell Grant Methodology** (Federal Government) and the **GSL System** (Federal Government). The systems assign different weights to parental income, parental assets, student income and student assets. By knowing these weights, the shrewd parent or student can present the family financial picture in such a way as to obtain the most favorable need analysis (this isn't unlike the method used for presenting one's family financial situation to IRS so as to qualify for the smallest possible tax liability) **See Chapters 5 and 6 and guides College Grants From Uncle Sam and College Loans From Uncle Sam (References).**

Tip #4 — If Your Family is Asset-Rich it may be advantageous to file for student aid under the **GSL Methodology.** By doing this, you eliminate yourself from eligibility for other federal student aid but you may qualify for a substantially larger student loan, with the loan more than offsetting the loss in the other programs. **See Chapter 6** and guide **College Loans From Uncle Sam (References).**

Tip #5 — Try Some "What If?" Calculations, but only after you understand how need analysis works. Some **"what ifs"**: is this a good time for mom to finish her college work, along with son and daughter? Or will it be more advantageous, financially, for mom to go back to work and help with expenses? Another one: if Daughter #1 is ready for college but Daughter #2 is still in high school, would it be advantageous for Daughter #1 to work for one year and defer her college plans until sister is ready to make the move from high school to college? You'll be surprised at the dollar figures generated by such "what if" drills. **See Chapter 6.**

Tip #6 — Don't Pass Up the Entitlement Programs. Approximately $5 billion in low-interest, subsidized federal student loans are going unused each year simply because students think they are ineligible, don't bother to go through the paperwork hassle, or just don't know about the program. **See Chapter 8** and guide **College Loans From Uncle Sam (References).**

Tip #7 — Cash Flow I — Search for a Low-Interest, Private Loan. Low interest doesn't mean 1 or 2 percent but an interest rate below what borrowers generally pay for money. That could be 10 or 11 or 12%. Numerous states (Illinois, Massachusetts, Florida, Connecticut, Iowa, Pennsylvania, Maryland) have set up loan authorities which float tax-exempt bonds to raise student loan money. And colleges themselves — Dartmouth is an example — have received permission to issue such bonds. At the same time, private banks are becoming more innovative in sponsoring combination savings/lending plans (example: for each dollar kept in a savings account, the depositor can borrow $3.50 for college expenses). Keep an eye out for these developments. They can help middle-income families

with the cash flow problem of paying for college. **See Chapters 6, 7 and 9.**

Tip #8 — Cash Flow II — Going to College on the House. Many home owners have accumulated large amounts of idle equity in their houses (equity is the difference between the home's value and the amount owed on the mortgage) and they want to put it to work. Your strategy: releasing this equity either through a line of credit (i.e. Merrill Lynch and others) or through refinancing the first mortgage. **See Chapter 6.**

Tip #9 — Negotiate With the Financial Aid Officer. The college financial aid officer will present you with a package of assistance that should, in theory, cover the difference between what college costs and what your family can contribute. If you feel that the college to which you are applying really wants you, because you are a brain or an athlete or the child of an alumnus or can help with meeting a geographic or minority quota, you may want to negotiate on the content of the package. Your objective: to increase the grant component (money which doesn't have to be repaid) and reduce the loan component (money which you must repay). **See Chapters 6 and 7** and guide **Financial Aid Officers (References).**

Tip #10 — Try for an Academic Scholarship. Almost 1000 colleges offer academic scholarships to students with a B average and SAT scores of 900 or more. Middle income folks take notice: most of these scholarships **are not based on financial need.** If you are just outside the SAT eligibility range for one of these awards, take a good SAT preparation course. It may raise your scores enough to enter the winner's circle. **See Chapter 15** and guide **The As & Bs of Academic Scholarships (References).**

Tip #11 -- Go the Cooperative Education Route. Over 1100 colleges offer cooperative education programs. Alternate formal study with periods of career-related work. Earn up to $5,000 per year during the work phase. It may take an extra year to win the degree, but it will be easier on the pocketbook. **See Chapter 12** and guide **Earn & Learn (References).**

Tip #12 — Get Your Employer to Pay Your College Bills. Thousands of companies from coast-to-coast, small, middle-sized and large, sponsor tuition assistance programs for their employees. Go to work for one of these employers. Grow on the job. Take courses in the evening and on weekends, with the employer footing the bill. **See Chapter 12.**

Tip #13 — Athletic Student Aid. We are not talking about the 300-pound tackle who can do 40 yards in 4 seconds. Notre Dame will find that person. We are talking about students who are better than average in a variety of sports, ranging from tennis to golf to lacrosse. A great many colleges seek youngsters who can be developed into varsity material. The rewards come in two forms: outright scholarships or an "improved" financial aid package. **See Chapter 16.**

Tip #14 — Acceleration. There are many techniques for doing four years of college in three. You may have to work harder, but you will save an entire year's tuition costs. **See Chapter 20.**

Tip #15 — Mixing It Up. Do your first two years of college in a low-cost community college. Work hard. Get good grades. Transfer for your junior year to a solid 4-year institution. In this manner, you can pick up the halo of a prestige diploma at half the cost. **See Chapter 20.**

Tip #16 — Check the Military Offerings. Reserve enlistments are especially attractive. For a hitch in the National Guard you can now pick up a state benefit, a federal bonus, partial loan forgiveness on federal student loans, drill pay, sergeant stripes if you also participate in ROTC, and, in some cases, tuition remissions at the state university. And these are not "either-or" goodies. You can have most of them, or all of them, at the same time. **See Chapter 8.**

Tip #17 — Be an Accurate, Early Bird. Be as accurate as possible in filling out financial aid forms. Submit them as early as you can. When resources are tight, it's first come, first served. Those who must resubmit their forms and those who take their sweet time about submitting them come in at the tail end of the line. By then, all the goodies are gone. **See Chapters 5 and 6.**

Tip #18 — Learn to Read Newspaper Headlines. If you read **"PRESIDENT REAGAN TO CUT STUDENT AID"** are you, like so many others, running scared and revising your higher education plans? You shouldn't be if you remember Government 101. The authorization and appropriation of funds is not a presidential responsibility. It belongs to Congress. Now if the story reads **"CONGRESS TO CUT STUDENT AID"** should you run for cover? No again. Find out if the story relates to budget reconciliations, authorizations or appropriation; whether the story talks about a committee, one of the two houses or both; and what fiscal year the story refers to. Fiscal years, by the way, start on October 1. By the beginning of a new fiscal year, students are usually safely tucked into college under the previous fiscal year's monetary authority. **See Chapter 8.**

Tip #19 — Approach Financial Planners With Great Caution. You may read about financial planners and their recommendations for accumulating college funds through **Uniform Gifts to Minors, Crown Loans, Clifford Trusts** and other devices. For some families these gimmicks work. For most families they become a self-inflicted injury in the form of disastrously high college bills. **Read Chapters 3, 5 and 6 before fooling with such plans.**

Tip #20 — Sacrifice a Little Bit. Do you really need Adidas sweat pants or can you do with a no-label pair from K-Mart? How about dad's season ticket to the Redskins? Could he be persuaded to watch the games for free, on TV?

CHAPTER 3 — MYTHS AND MISCONCEPTIONS THAT CAN COST YOU TIME AND MONEY

"We guarantee to find at least five possible sources of financial aid for each applicant. . . Please mail this form with your processing fee of $45 to. . ."

(From the announcement of a computerized scholarship search service)

Practically everybody we know equates the search for monetary help for college with a search for scholarships. Get rid of that belief — quickly! And repeat after us — three times — **"Sophisticated students obtain financial aid by (1) representing the family's financial situation in — what is to the family — the most favorable terms; (2) applying for all the major programs for which they are eligible; (3) applying early, accurately, and honestly; (4) selecting a college that is more likely to present them with a good financial aid package; (5) when appropriate, negotiating with the financial aid officer on improving the aid that has been offered; and (6) being knowledgeable of favorable options for financing the family's cash requirements for college."**

These steps can be worth thousands of dollars. Any other approach will make you the unknowing looking for the unfindable. You will gain nothing, while paying out plenty — in wasted time and money. Now read this short chapter on the myths, misconceptions, fables and folklore that swirl around the financial aid field. And remember: You don't profit from these beliefs; only the people who keep them alive profit.

What A Scholarship Is Not

Most people believe that a scholarship will put money in their pocket. Example: You have been assessed to contribute $3,000 per year to College X, a school which costs more than that to attend. One lucky day, you win a $1,000 scholarship. You now say your contribution will be $2,000. Right? Wrong. Your contribution will continue to be $3,000. The college will incorporate the $1,000 scholarship in your financial aid package. Or the college may decide to add the scholarship to your family contribution. In that case, you will be assessed not $3,000 but $4,000 as your contribution. **The scholarship, in other words, will help pay your college bill but it will not reduce your share of the bill.**

Looking for Special Scholarships

Every day we get from 50 to 100 letters from people who tell us all about their age, sex, race, career intentions, physical condition and personal finances and then ask "is there a special scholarship for me?" These letters sadden us, because we know the writers haven't followed the normal route for getting financial aid.

Here is what we reply, *"Please don't waste your time looking for a special award for a 35-year-old, (black, white, red) divorced woman, seeking to return to the labor force.* **Financial aid is based on financial need and student status.** *If college costs more than what you have been assessed to contribute and you are enrolled at least half time, you are eligible for financial aid. Your age, sex, race and career ambitions have nothing to do with it."*

Our advice: Go the traditional financial aid route **(Chapters 5 and 6)** first. Then, if you have a lot of time and nothing else to do, and you need practice writing letters and you feel you need to help the U.S. Postal Service to stay in the black, start looking for a "special scholarship." You may even find one.

Unclaimed Scholarships

Q. I have read that every year $130,000,000 in scholarship funds go unclaimed. Is this true?

A. If you believe this, you should also plan on a trip to Africa to find the mysterious valley where elephants go to die. We understand it is filled with precious ivory, waiting to be picked up. When you are in the valley, say hello to Tarzan and Bo Derek.

Scholarships From Corporations & Foundations

Q. I have heard that big corporations offer a lot of scholarships.

A. Many do — to the children of their employees. If your dad works for Westinghouse, you might get help. If your dad works in the neighborhood barbershop — forget it! Some corporations — like Kodak and RCA — have awards for other than their employees' children. These are usually administered by colleges which select the recipients. You can't apply for them directly.

Q. What about foundations?

A. Mainly, they help students at the doctoral or postdoctoral level. There is also some money

for the college-bound and undergraduates. But that money usually has very narrow local restrictions, i.e. for students in Adams County. Normally, such localized foundation grants are well publicized on the high school bulletin board and in the local paper. But if you don't want to overlook this opportunity — and you shouldn't — then spend a little time in the public library with a reference book called *Foundation Grants to Individuals*.

Computerized Scholarship Searches

If you need information on federal or state student aid, *don't pay a computer service*. You can learn all you need to know from this book or the free pamphlets which Uncle Sam and your state government hand out.

If you need information on student aid offered by the colleges you plan to apply to, *don't pay a computer service*. The college catalog will tell you what you need to know.

If you need information on scholarships offered by your employer or church, *don't pay a computer service*. Ask your boss or minister.

If you need information on local scholarships, *don't pay a computer service*. Check the high school bulletin board.

Now go back and re-read **Chapter 3.**

Clifford Trusts, Crown Loans and Other Devices That Can Explode in Your Face

Many people can't accept the fact that they are in a higher tax bracket than their youngsters. They will shift assets from themselves to their children, knowing that the income from these assets will then be taxed at a much lower rate.

Such transfers can take the simple form of depositing money in junior's savings account. Or they can be sophisticated devices, constructed with the help of lawyers and accountants, such as **Clifford Trusts** (a revokable trust) and **Crown Loans** (an interest-free loan to your children).

From a tax savings perspective, these transfers work. And for families that earn over $100,000 per year they are ideal.

But for anybody else, there should be a big red warning label attached that says, **"This Device May Be Hazardous To Your College Bills."**

Don't make a **Uniform Gift to a Minor** or set up a **Clifford Trust** or **Crown Loan** until you have mastered the need analysis techniques described in Chapters 5 and 6 and determined that these schemes will not explode in your face.

Reading the Wrong References

Everybody knows that *Lasser's Income Tax Guide* takes a somewhat different slant to its subject than the publications from IRS. Lasser's objective is to show you ways to save on taxes; IRS, on the other hand, seeks to extract the last drop of blood. You may value the IRS guide for its mechanical instructions, but not for its substantive advice on holding on to more of your money.

It's the same with paying-for-college guides. Before you purchase one or read one make sure that you know the guide's origin. Is it written from the viewpoint of those who pay the money (parents or students)? Or is it written by those who get the money (colleges and collegiate organizations)? The guides may treat the same subject, but their treatment could be many dollars (your dollars) apart.

Reading Old References

In student financial aid, any reference older than one year is out of date. If you use an older reference, you will be badly misled with regard to interest rates, eligibilities, size of grants or college costs.

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CHAPTER 4 — USING THIS GUIDE

"...A psychologist at the University of Iowa's counseling service has attributed much of a 35% increase in the number of students seeking help to anxiety over whether they will be able to pay for their education if federal student aid programs are cut..."

(News Item)

What This Guide Will Do For You

- Explain financial aid.
- Suggest the main strategies available to you for going after aid.
- Reduce each strategy to a sequential, logical, step-by-step approach.
- Identify the resources you need to consult and the choices you must make to move from step to step.
- Help you think about the complex interplay between financial need, financial aid and college selection.

How to Use This Guide

The guide is organized in the same sequence that you should follow in your quest for financial aid. It takes you through a step-by-step process for (1) defining your monetary need and (2) financing that need.

Hence, we suggest that you do not skip immediately to the later parts which list resource addresses and begin to fire off appeals for help. The chances are that you will be wasting your time and that of the kind organizations offering assistance.

Instead, start at the beginning. Learn how to calculate your financial need. Settle on a strategy. And only then identify the programs that fit your situation.

Here's how we will take you through the guide:

Part II will show you how to calculate the difference between what it will cost to attend the college of your choice and what you and your family are expected to contribute. That difference becomes your objective. It defines your personal assistance problem in dollars and cents.

Part II will also suggest two strategies for going after this objective. You can add to your resources through such sophisticated techniques as wisely preparing yourself for need analysis, shrewd college selection, the timely submission of accurate applications, informed dealings with financial aid officers, and the search for cash-flow solutions. And you can add to your resources through the traditional search for scholarships, loans, and work opportunities. That is the first strategy. **Part III** will list many programs designed to help carry out that strategy. Or you can opt for the second main strategy: lowering college costs until they correspond to available resources. **Part IV** examines the courses of action and alternatives that will support this strategy.

A Brief Glossary of Terms You Must Understand

Grants, including **scholarships,** are aid awards that do **not** require repayment.

Loans are sums of money that must be repaid with interest. To qualify as financial aid, loans must carry interest charges lower than prevailing rates and offer favorable repayment provisions.

Dependent Students are students who are at least partially dependent on their parents for support. **Independent Students** (or **Self-Supporting Students**) are not. An independent student must meet all of the following qualifications for 1983 and 1984: (1) Was not and will not be claimed by parents as a U.S. income tax deduction; (2) did not and will not live with parents for more than six weeks during each year; and (3) did not and will not receive more than $750 in assistance from parents during each year.

Need Analysis is a technique used to determine a family's financial strength to contribute to college costs. It's a fairly exhaustive examination of parental and student income and assets. It produces a sum called the **Family Contribution.** That contribution, when subtracted from the cost of college, results in the family's **Need.**

Need is a rather unfortunate term. Many people equate it with needy. **Need has nothing to do with being needy.** It is a mathematical expression in a unique context. It is quite possible to be extremely well-off and have need, just as it is possible to be needy and have no need.

The need analysis is performed by such organizations as the American College Testing Program (ACT) and the College Scholarship Service (CSS).

What You Should Do Now

- Obtain the free and "low-cost" publications recommended in the **"references"** section at the end of this guide. You will need these helpful publications close at hand.
- Make a list of the other references (same section) and locate each either in the guidance office, financial aid office, high school or college library. You will have to consult these books as you follow your financial strategy. If the librarian misses a title, request acquisition.

PART II — UNDERSTANDING FINANCIAL AID

CHAPTER 5 — THE FUNDAMENTAL COURSE

Leider's Paradox: Most students require financial aid to graduate from college; to understand financial aid one must be a college graduate.

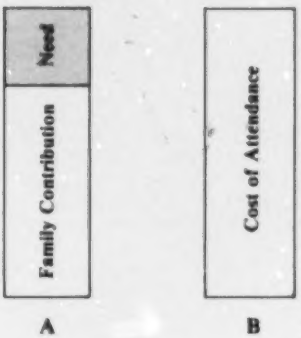
This You Must Understand

Visualize two bars, **Bar A** and **Bar B. Bar A** will represent your family's contribution to college costs, as determined by need analysis *(see glossary in previous chapter)*. **Bar B** is the cost of attendance at the college of your choice.

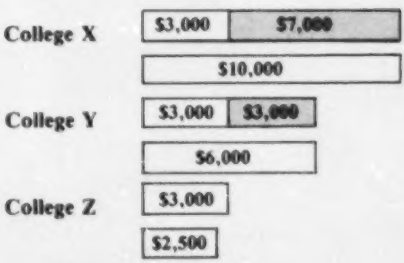
Bar A — your contribution — is a constant (unless there is a drastic change in your family's situation). **Bar B** — the cost of attendance — is a variable. It will vary from college to college. It can even vary within one school, depending on your student status, courses you take, how far away you live, etc.

If *Bar A* is smaller than *Bar B*, you have **financial need.**

Very important: In this chapter we deal with assistance that centers on your need. Approximately eight of every ten tuition aid dollars are dedicated to that purpose. In the next chapter — **Chapter 6, The Advanced Course** — we will discuss aid that can be used to help with the family contribution. To repeat, in reading this chapter think about help for your need. Later, you will learn about help with the family contribution.



Let's now illustrate this concept of need for a family which must contribute $3,000 per year to college costs and considers three colleges, **College X** which costs $10,000; **College Y** which costs $6,000; and **College Z** which costs $2,500:

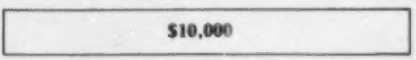


You will note that at **College X** that family's need is **$7,000**; at **College Y** it is **$3,000**; and at **College Z** the family has **no need** at all.

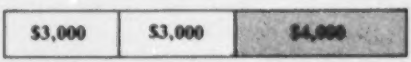
If Your Income Is Over $30,000...

If your income is over $30,000 you must understand one more concept: **Remaining Need. Remaining Need** will determine whether you qualify for a low-interest, **Guaranteed Student Loan (See Chapter 8 and College Loans From Uncle Sam).**

Remaining Need equals the cost of attendance at the college of your choice minus your family contribution plus any aid that you receive. Let's use a bar diagram to illustrate this concept. You plan to attend **College X** which costs $10,000 per year. Your family contribution has been judged to be $3,000. The college will provide you with $1,000 of grants, $1,000 of work-study, and you have found a $1,000 scholarship. Thus, you have $3,000 in assistance. Your **Remaining Need** is $4,000. Calculation: $10,000 - ($3,000 + $1,000 + $1,000 + $1,000) = $4,000.



Cost of Attendance

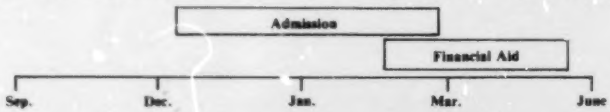


Family Contribution **Aid** **Remaining Need**

Answers to Three Questions

The college admission and financial aid cycles operate on different schedules. You select colleges in the fall, apply in late fall, and hope to get an acceptance decision in early spring.

The financial aid cycle, on the other hand, cannot be formally initiated until after the first of the year in which you plan to attend college (so that the computers can be fed exact information on how much your family earned the previous year). You submit your need analysis forms as soon as you have your W-2s. Then you are kept in the dark for several weeks or — as has been happening in 1980, 1981 and 1982 — several months before you learn (1) how much you will have to contribute, (2) whether you have need and (3) whether you qualify for need-based aid.



As you can see, you shop for colleges before you know what your out-of-pocket costs will be, how big your need will be and how much help you're eligible for.

If you want to assume that your family contribution, once you learn what it is, will not cause you a cash-flow problem, and that your need will be met at whatever college you elect to attend, then you can trust the system and submit all your applications in the dark.

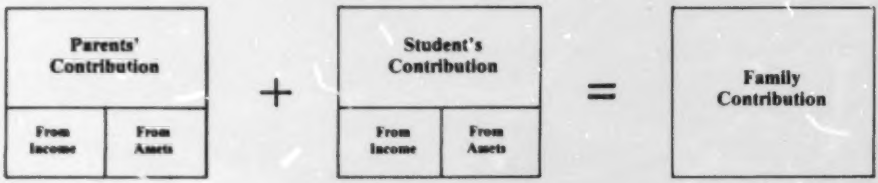
More realistically, you should assume that (1) your family contribution will impose a cash-flow burden, (2) your need will not be met in all cases or (3) if it is met, met in a manner that may be financially burdensome to you. In this case, don't abandon yourself to the system, but maintain some control over the process and the choices available. Begin the planning process by securing answers to three questions:

1. **How much will our family be expected to contribute** to college costs? This, you remember, is a constant.
2. **What are the annual costs of attendance** at the college(s) of my choice? This is the variable.
3. **What's our need** going to be at each college of my choice?

With the answer to Question #3 — even if it's just an approximation — you can engage in sensible financial planning. You'll be protected from nasty shocks and unwanted surprises.

In fact, a good grasp of your financial aid situation — how much your family must contribute, how much assistance you require, and the likelihood of various colleges to meet this requirement in a manner that won't force your family to sell its house and move under a bridge — could become a factor in college selection.

How Much Will We Have to Pay?



Family Contribution. It is made up of two elements: the **Parents' Contribution** and the **Student's Contribution** (if you are independent, the Family Contribution will correspond to the Student's Contribution). The contribution is calculated by the need analysis services (**see glossary** in previous chapter.).

To complicate matters some, three different need analysis systems will be in operation for the 84/85 school year.

You may now wish to pause for a minute, throw your hands up in the air, roll your eyes, and mutter, "Isn't this insane?" Go ahead. It is your right. But remember: if it were not for three different systems, all of which have to be designed, tested, measured, hassled over, goofed up, corrected, adjusted, administered, and explained, thousands of well-meaning bureaucrats and technocrats and program manipulators would be in the unemployment line.

What are the systems?

Need Analysis System	Programs Served	More Information
Uniform Methodology (UM)	1. The colleges' own resources. 2. Many state programs. 3. Private donor programs. 4. Uncle Sam's campus-based programs. (NDSL, SEOG, CW-S). 5. Guaranteed Student Loans for students with family incomes between $30,000 and $75,000 **who receive other aid.** 6. Guaranteed Student Loans for students with family incomes over $75,000.	**Appendices in back.** Booklets: 1. *Applying for Financial Aid* (ACT, Box 168, Iowa City, IA 52243). 2. *Meeting College Costs*, (College Board Publications, Box 886, New York, NY 10101).
Pell Grant Methodology (PGM)	Pell Grants. **Note:** To determine eligibility, do not use information in this chapter but information resource cited at right.	See **College Grants From Uncle Sam.** Also **Chapter 8.**
Guaranteed Student Loan Methodology (GSL)	Guaranteed Student Loans for students with family incomes between $30,000 and $75,000 who **do not** receive other aid. **Note:** If you fall in this category insist on this methodology. It will give you a far better shake than UM.	See **College Loans From Uncle Sa** Also **Chapter 8.**

Table 1: Need Analysis Systems

All systems operate on the same principles. They want to know your income and assets. They let you shelter some of your money for taxes and living expenses and retirement. Then they want what is left. *The systems are also alike in not telling you much about the origin of the weights and measures that are applied to your situation.* For example, the **family maintenance allowance** — the money that is left to you for shelter, food, clothing, car operations, insurance and basic medical care — is based on the **Department of Labor's "low budget standard."** If you have gotten along on a low budget standard, the need analysis formula will fit you like a glove. But if you have become locked into a higher standard of living, with larger mortgage payments, fatter utility bills, more upkeep, and so on, the small allowance won't do you. It won't cover expenses. And your assessed family contribution will appear impossibly large!

The **Uniform Methodology** is the system that will, more than any other, impact on your eligibility for student aid.

The Pell Grant Methodology relates only to Pell Grant eligibility. Generally, a family of four with income of $26,000 or more and relatively few assets is at the eligibility cut-off line. Families with lesser income should qualify for a slice of the Pell Grant pie.

Use of the **Guaranteed Student Loan Methodology** is optional. The methodology places much less weight on assets than UM. In fact, if your family is asset-rich, you may consider opting for this methodology even if this means forsaking federal student aid other than a Guaranteed Student Loan. It will increase your chance of qualifying for a loan and the loan may be worth more than the "other aid" which you are giving up.

Now it's time to calculate the family contribution under the Uniform Methodology. Dependent Students go to **Appendix 1. Independent Students** go to **Appendix 2.** The end product of your calculations won't match to the penny what the need analysis computer will determine. But the result will be in the ball park. **Note:** You should also run a need analysis check under the **Pell Grant Methodology** and the **GSL Methodology.** For that you will have to buy the books **College Grants From Uncle Sam** and **College Loans From Uncle Sam.**

Here are some things to know before you start filling in the figures:

Dependent Students:

- All income data comes from the previous calendar year. If you start college in September 1984, the previous calendar year is 1983.
- All asset data is as of the date that you submit the need analysis form.
- If your parents are divorced or separated, use the income and asset figures of that parent with whom you lived most of the time in the previous calendar year.
- If your parent has remarried, you must include income and asset information on your stepparent if, in 1983 or 1984, you lived with him/her for more than six weeks or received more than $750 in support.

Independent Students:

- All income and tax data will be based on your estimated earnings (and taxes) for the summer of 1984 (3 months) and the 1984/85 academic year (9 months).
- All asset data is as of the date that you submit the need analysis form.

Both Types of Students:

- Pay a lot of attention to the formula elements, weights, and percentages. You'll need that knowledge in the next chapter.

How Much Will College Cost?

Ok. You have made an estimate of your family contribution. Now you need to know how much it will cost to attend the college of your choice.

College costs and tuition are not synonymous. College costs — also known as "Cost of Attendance" or "Student Budget" — are an aggregate of six elements, shown graphically below:

Tuition & Fees + **Books & Supplies** + **Housing** + **Meals** + **Personal Expenses** + **Transportation** = **College Costs**

Tuition and fees are the same for all attendees. They are paid to the college. **Books and supplies** expenditures will depend on the courses selected. You can purchase these items in the college store, in the community, possibly even in a used book emporium. Housing and meal charges can vary. There is one figure if you live in a dorm and use a school meal plan. There is another figure if you live in a pad, off campus, and thrive on teeny hamburgers. And there is still a third figure if you live at home and enjoy your mom's cooking, even though this arrangement does not add to your parents' normal costs. **Personal expenses** which include upkeep of clothing, health insurance, even a small allowance for rock concerts represent money that you spend at places other than the college. The personal expense category can be very flexible. If you are handicapped, for instance, or have child care bills to shoulder, the item may be set very high. **Transportation,** too, is flexible. It may be based on two or three roundtrips (economy class) between a distant campus and home or it may represent commuting expenses.

Expense budgets are established by the financial aid officer for the variety of students who attend a typical college. There may be a separate budget for dependent students living in the dorm; dependent students in a pad; dependent students who live at home; independent students in each of these categories, with subcategories for single and married independent students. In addition, the financial aid officer will make special allowances in the budget for the unique problems of the handicapped.

To illustrate this variety, note the different budgets established by one college in California:

Student Category	Budget
Single Student, Lives at Home	$ 6,500
Single Student, Lives in Dorm	$ 6,925
Single Student, Lives in Own Apartment	$ 8,025
Married Student, Child Care Expenses	$11,150

There are some points to ponder about expense budgets:

- Some items in the expense budget, such as room and board when you live at home, may not represent a speciall outlay for your family.
- By being frugal, your actual expenditures in a budget category may be less than the college allowed.
- If some of your college-related expenses do not appear to be accurately reflected in the expense budget, let the financial aid officer know. Any increase in the expense budget increases your eligibility for financial aid.

You can get an excellent estimate of college costs from two handy references: the current editions of the College Board's *The College Cost Book* or ACT's *College Planning/Search Book*. (See **Reference Section**).

Of course, you will want to augment this information by writing directly to colleges and asking for their most current catalog.

To get a quick idea of the relation of your family contribution to college costs, we have developed a cost-of-attendance table for different types of institutions, projected to 1987/88. We assumed 10% inflation for future years. Note that in a four-year, private college, the senior year could, conceivably, cost $3,000 more than the freshman year.

Type of Institution	1984/85		1985/86		1986/87		1987/88	
	Resident	Commuter	Resident	Commuter	Resident	Commuter	Resident	Commuter
4-Year Private	$9,044	7,962	9,948	8,758	10,942	9,633	12,036	10,596
2-Year Private	6,958	5,979	7,653	6,576	8,415	7,233	9,250	7,956
4-Year Public	5,308	4,181	5,838	4,599	6,421	5,058	7,063	5,563
2-Year Public	4,309	3,842	4,739	4,266	5,212	4,648	5,733	5,112

Table 2: College Costs Projected to 1986/87

Marching Down the Need-Based Route

Let's stop and review. You have estimated your family contribution. You have looked up college costs. You have compared your family contribution with the cost of attendance at the colleges which interest you. And you have learned that **you have need** — college will cost more than you are judged capable of paying.

What do you do now? You march down the "**need-based route.**" Everybody does.

You **submit your need analysis form** as soon after the first of the year as possible. Which form?

That's up to the college or your state. Be sure to find that out **before** January 1. Where do you get the forms? From your guidance office or any college financial aid office. Here are the most widely used need analysis forms:

Agency	Form	Purpose
Federal Government	Application for Federal Student Aid (AFSA)	Eligibility for Pell Grant; other federal programs. **(See Chapter 8)**
American College Testing Program	Family Financial Statement (FFS)	Eligibility for Pell Grant; other federal programs; state funds; college's own resources.
College Scholarship Service	Financial Aid Form (FAF)	Same as above.
Pennsylvania Higher Education Assistance Authority	PHEAA Form	Eligibility for Pell Grant, other federal programs, PA State Grant.
California Student Aid Commission	Student Aid Application for California (SAAC)	Eligibility for Pell Grant, other federal programs, CAL Grant.

Table 3: Agencies & Forms

HERE ARE SOME IMPORTANT POINTS ABOUT FINANCIAL AID FORMS:

- **Social Security Number.** You must have a social security number to apply for financial aid. If you don't have one, get one in a hurry.
- **January 1.** Financial aid forms cannot be dated nor submitted before January 1.
- **Date Due.** Be sure you know when colleges want you to submit the forms. If you plan on applying to six colleges and each has a different date, make a list of these dates, and submit the form by the earliest of the dates on your list. The form, incidentally, will be sent to the colleges by the need analysis processor, not by you.
- **Estimating Information.** If the earliest date falls before your mom and dad have made out their income tax, you can use estimates for the income and tax information that you must enter on the form.
- **Estimates That Are Not in the Ball Park.** If you note, later on, that your estimates were not in the ball park (outside a $200 or $300 tolerance), provide corrections to the need analysis services.
- **Comparison Between Need Analysis Forms and IRS Forms.** Most colleges will ask you for a signed copy of your family's tax return. If you have estimated and were outside the tolerance and did not provide a correction, this will be noted by the college which will then ask you to make corrections. Uncle Sam, too, goes through a "validation" drill and will pick over one million applications for detailed checking. This, too, is performed by college financial aid officers. Accept the fact that tax returns and financial aid forms must match rather closely.
- **A Good Use of the Christmas Holiday.** On a quiet day, switch off the TV, sit down with your family and an **Income Tax Form** and a **Financial Aid Application** and put red circles around all common items. At that time, too, you may wish to complete your estimated tax return so that you can get a headstart on filling out the financial aid forms.
- **College Financial Aid Forms.** Many colleges will ask you, in addition to the major financial aid forms listed in Table 3, to submit their own forms. These go directly to the colleges and, thank Heaven, are usually much simpler to fill out.
- **Change in Status.** If, after you have submitted your financial aid form, there is a change in your status (a family death, disability, prolonged unemployment, divorce or separation), notify the need analysis service.
- **Early Bird Gets the Worm - Part I.** Apply for financial assistance as early as possible. Schools can often meet the needs of the first applicants, and then run out of assistance money for the late applicants. The following extract from a letter originating in a college's financial aid office is typical:

  "... The University of X has not been able to fully meet the financial needs of all students in 1984-85. We are likely to be in this position

again during 1985-86 and late financial aid applicants are likely to be affected..."

- **Don't Make Mistakes** when filling out your need analysis forms. Mistakes can cause the form to be bounced. By the time you make corrections and resubmit, you will find yourself at the end of the line and the money is gone. **Most common mistakes:** Omitting social security number; forgetting to sign form; entering numerals from left to right, rather than right to left. Thus, $50 can become $5,000; entering cents; writing illegibly.
- **Early Bird Gets the Worm - Part II.** The federal government, too, can exhaust program money before the fiscal year expires. The fiscal year runs from October 1 to September 30. Our advice: submit all your applications during the first half of the fiscal year. In the last half, the well may run dry. In the last quarter you may even come up against "rescissions" — that's when Congress cancels money it had earlier appropriated.
- **Apply for a Pell Grant,** even when you know that you are not eligible. Failure to apply could jeopardize your eligibility for other aid programs.
- **Make Copies** of all financial aid forms and your responses to requests for added information that may come to you from Uncle Sam, the need analysis processor, or the colleges. After making copies, mail by registered mail, return receipt requested.
- If you are a boy, don't take your chance on politicians and the courts. Play it safe and **register for Selective Service.**

WHAT HAPPENS NOW? FOLLOW THE CHART

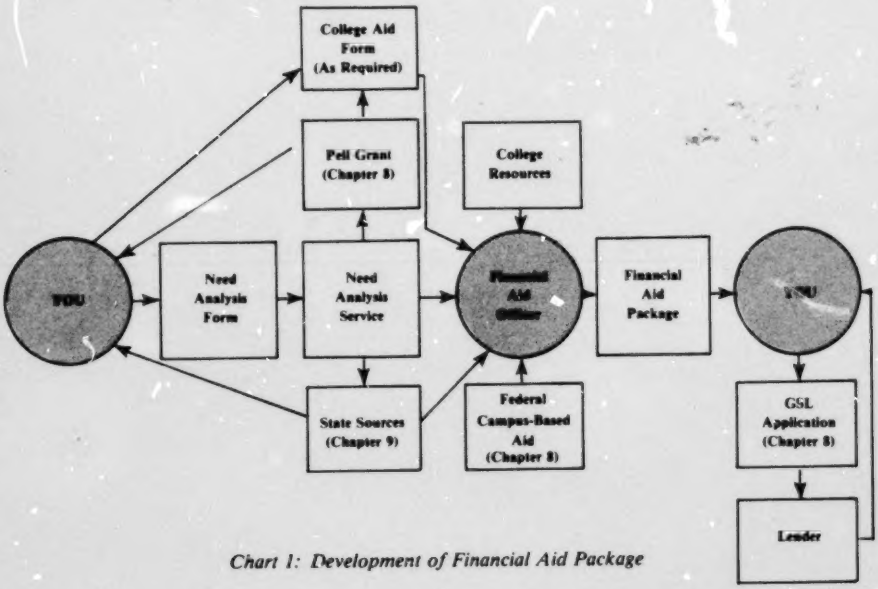


Chart 1: Development of Financial Aid Package

Your financial aid form is sent to a processor — in most cases the American College Testing Program or the College Scholarship Service of the College Board. The processor checks the information. If there is something wrong, the service will contact you. If there is nothing wrong, the service will convert your information into a **Family Contribution.** A summary of the result is sent to you in the form of a report or acknowledgment. A more detailed analysis is sent to the colleges which you named. The processor will also provide your information to Uncle Sam's Pell Grant processor, if you so direct and you should, and it will determine you eligibility for a state grant.

Note that on the chart there are arrows from the **Pell Grant** and **State Sources** boxes back to you. What that means is that these agencies will provide you with an eligibility/ineligibility report with regard to their programs (it's called a **SAR** for Pell Grants; it has many names for the state report). It is your responsibility to forward these reports to the colleges which you plan to attend.

The college, meanwhile, will have learned from the processor whether you are eligible for Pell and state grants and for how much. And, of course, it will have all your financial data as well as the calculated family contribution.

The financial aid officer now rolls up his sleeves and goes to work. First, he determines

your student expense budget. Second, he reviews your family contribution and may even make some adjustments to it, based on the policies of his office. Third, he determines your need. And fouth, he sets out to meet this need or as much of it as he can by building for you a **Financial Aid Package.**

Financial Aid Package.

The bottom layer of the package is the assistance that you may get from the federal Pell Grant program **(Chapter 8)** and your state's student aid program **(Chapter 9).**

Next, the financial aid officer draws on three major federal programs which are funded through colleges **(Chapter 8).** They are the **National Direct Student Loan Program,** the **Supplemental Educational Opportunity Grant Program,** and the **College Work-Study Program.** There are also some smaller specialized federal programs into which he can dip.

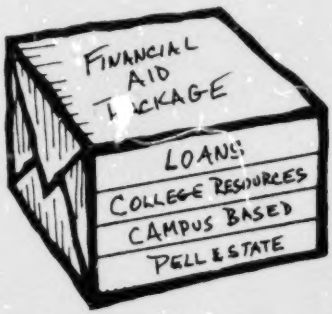
The next layer is taken from the **college's own resources** — special loan programs, unrestricted scholarships or restricted scholarships for which you may qualify. The richer the college, the more resources it will have for this layer in the package.

When awarding funds from programs which they administer (i.e. federal), colleges tend to give priority to the **neediest of the able;** when awarding their own money, colleges tend to follow the principle: **the ablest of the needy.**

Next, the college will incorporate in the package any scholarships which you managed to find on your own.

If, after all this packaging, you still have need and

— **your income is under $30,000,** the financial aid officer will recommend that you obtain a **Guaranteed Student Loan (Chapter 8).**



— **your income is over $30,000,** the financial aid officer will also recommend that you apply for a Guaranteed Student Loan **(Chapter 8).** However, now your success in obtaining a loan, and how large a loan, will depend on your ability to pass a **"remaining need"** test. (Remaining need, you will recall, equals Cost of Attendance — (Family Contribution + Student Aid).

The Award Letter

The financial aid package will be presented to you in the form of an award letter.

The award letter should contain three substantive and two administrative elements.

The substantive elements are (1) a statement of the **expense budget** that had been developed for you; (2) your **family contribution;** and (3) the amount of your **need,** to include how all or part of this need is to be met, listing each aid source and dollar amount.

The administrative elements contain (1) a suspense date by which you must return the award letter and (2) information on available procedures for "appealing" any information in the award letter with which you disagree.

Compare the award letters you receive from all the colleges to which you applied. But don't delay responding to an award letter because you are still waiting for letters from other colleges. If you don't reply by that date, your award will be canceled (colleges can't hold money). Responding to the award letter does not commit you to attendance. It just safeguards your award, should you elect to go to that college.

In responding to the award letter, you can accept the award in its entirety, accept some components of the award and reject others, reject the award entirely, or request a revision in the composition of awards (more grants, less loans).

Your success in appealing an award may depend on a great number of factors: your timing; whether the college does or does not have discretionary funds; how badly the college wants you; how skillful and diplomatic you are in presenting your case; whether there have been changes in your situation of which the financial aid officer was unaware, etc. You should not enter this phase of the financial aid process without first reading our publication **Financial Aid Officers: What They Do — To You and For You** *($2.00 postpaid from Octameron, PO Box 3437, Alexandria, VA 22302).*

Will the Need-Based Route Satisfy My Need?

It may or it may not. If it does, it could be a dream package; it could also be an offer that will mire you deeply in debt. Remember:

- The fact that you have need does not necessarily mean that your family's income qualifies for all assistance programs. Many programs have income ceilings.
- The college itself may not have enough resources to help all applicants.
- Different colleges may assess your need differently. If you apply to three schools, each of which costs $2,000 more than your family's contribution, you may be offered three very different packages, ranging from the attractive to the barely acceptable.

The point that cannot be stressed enough is that you should march down the need-based route. Don't consider yourself too rich or be too proud to ask for help. Take the required steps along the need-based route and take them with care and precision.

Tables 4 & 5 illustrate the success of applicants in securing aid through packaging at two colleges.

Small College, Midwest Annual Cost: $8,850			
Income	**No. of Applicants**	**Percent Aided**	**Average Award**
0-6,000	16	100%	$5,711
6,000-12,000	19	95%	5,704
12,000-18,000	42	98%	5,411
18,000-24,000	53	89%	4,969
24,000-30,000	92	96%	4,779
30,000-36,000	82	95%	3,823
36,000-42,000	80	85%	2,650
over 42,000	151	63%	1,758

Large Suburban University Annual Cost: $6,100			
Income	**No. of Applicants**	**Percent Aided**	**Average Award**
0-6,000	250	100%	$4,600
6,000-12,000	360	96%	4,200
12,000-18,000	340	93%	3,700
18,000-24,000	380	92%	2,950
24,000-30,000	350	75%	2,500
30,000-36,000	190	55%	2,030
36,000-42,000	80	50%	1,950
42,000 +	50	60%	1,750

Tables 4 & 5: Family Income vs. Qualification for Assistance

CHAPTER 6 — THE ADVANCED COURSE

Students who try to understand financial aid should get credit for a minor in accounting.
(Robert Leider)

Ubi Est Mea (Old Latin Proverb. Translation: Where Is Mine?)

In the preceding chapter you learned about **need, family contributions** and the **cost of attendance** at colleges. After explaining the concepts, the chapter showed you how to link up with need-based aid. And the text emphasized that everybody — rich or poor, old or young, boy or girl, black or white — should march down the need-based route.

We also raised two warning flags; that the need-based route, though diligently followed, may not fill the family's need; and that payment of the family contribution could cause severe financial hardship.

Having said that, we cautioned that with each year the cost of college will increase faster than the availability of student aid. Thus, the two problems of getting one's need met and paying the family contribution will, in all likelihood, get worse instead of better.

In this environment, the family is left with but one sound response: to become wiser as a student aid consumer and sharper in the use of the unique personal finance techniques that apply to college financing.

In this chapter, we will concentrate on these consumer and personal finance aspects. It is our "money" chapter. And it should be read with great care.

We will talk about the concept of **no-need awards.** We will describe **strategies for tilting financial aid your way.** We will consider methods for coping with the inevitable **cash flow problems** associated with college bills. We will suggest some **"what if" situations** that you might want to fit to your personal circumstances. We will offer suggestions for **long-range planning** if college is still many years away. And we will list some **unusual financing methods** that have come to our attention.

No-Need Awards

No-need awards are exactly that. They are awarded with no reference to financial need. If you win a $2,000, no-need academic scholarship, you are $2,000 ahead.

But let's examine no-need awards more closely. Essentially, a student can find himself or herself in four different situations in relationship to student aid.

Situation	Student Status	Award
1	You Have Need	Need-Based Award
2	You Have Need	No-Need Award
3	You Have No Need	Need-Based Award
4	You Have No Need	No-Need Award

How you fare under each of these situations is often a function of numbers. To take each situation in turn:

Situation #1. *Your Family Contribution is $3,000. The cost of your college is $5,000. You have 2,000 of need. You qualify for a $1,000 need-based award.* **Outcome:** Your need is reduced to $1,000.

Situation #2. *Your Family Contribution is $3,000. The cost of your college is $5,000. You have $2,000 of need. You qualify for a $1,000 no-need award.* **Outcome:** The award can be applied to your need, reducing it to $1,000 or it can be applied to your family contribution, reducing it to $2,000, leaving you still with $2,000 of need. Suppose, in this situation, that the no-need award were $3,000. Now your need would be wiped out entirely and your family contribution reduced by $1,000; or the award could be used to eliminate your family contribution and leave you still with $2,000 of need.

Situation #3. *Your Family Contribution is $5,000 and the cost of your college is $5,000.* **Outcome:** You cannot qualify for a need-based award.

Situation #4. *Your Family Contribution is $5,000 and the cost of your college is $5,000. You qualify for a $3,000 no-need award.* **Outcome:** Your family contribution is reduced to $2,000. Suppose, in this situation, that the no-need award were $6,000. In this situation, you can receive only $5,000, eliminating your family contribution. **Tuition aid of any kind cannot exceed the cost of attendance.**

Lessons From the Worksheet

We assume that while reading the preceding chapter you took the time to complete the worksheets in **Appendix 1** or **2** to estimate your family contribution.

We also assume that you were so busy looking up figures and writing in figures and cursing and biting the outcome that you did not note the varying weights assigned to the components of the formulas. These are the items that should have caught your eye.

1. **Asset Assessment Rates.** A dependent student does not rate an asset protection allowance. The dependent student's assets are taxed at **35% of their value.** Parents do rate an asset protection allowance. Money held by parents, as you trace it through the formula, is **taxed at about 5%.** That's quite a difference! $2,000 in junior's bank account becomes a $700 contribution to college costs. The same $2,000 in the parental account becomes a mere $100 contribution. You might want to show this paragraph to stockbrokers, bankers, accountants and personal finance experts who are constantly urging you to accumulate money in your youngster's name to reap a tax advantage. Their advice might be correct if your family has no chance whatever of qualifying for aid. But if there is the slightest chance of qualifying, you should shut your ears to the experts. Accumulate money for college, yes. But accumulate it in the parental name.

2. **The True Value of a Student Aid Dollar.** If you are in a 50% tax bracket and don't get student aid, you must earn two dollars to have one dollar available for tuition bills. Let's turn this around. If you are successful in getting one dollar of student aid, that one dollar is really worth two dollars to you. **Lesson:** the higher your tax bracket, the greater the value of any student aid dollar received.

3. **The Previous Year Rule.** Your 1984 calendar year earnings determine your aid eligibility for the 1985/86 academic year. Your 1985 earnings impact on the 1986/87 school year. If your income fluctuates, and you have some control over the fluctuations, you might wish to defer income from the base year to the next year to enhance your eligibility in the coming academic year. What about the next base year? **Our advice:** don't try to predict the future, but take it one year at a time. If your accountant suggests income averaging, hold up your hand, say "whoa" and offer — for a fee — to instruct your accountant in need analysis techniques.

4. **Business Property.** Assets held as an individual are taxed on a dollar for dollar basis. Assets which are part of a business rate an adjustment factor (i.e. 40% of net worth up to $55,000, etc.). Think hard. Do you have any

source of income, from a hobby or property or whatever, that you can treat as a business? Or can you shift assets to a sub-S corporation in which your family holds a controlling 51% interest while people outside the need analysis formula (your grandmother?) hold 49%? That's a real one-two punch. Not only do you get the asset value reduced by the net worth adjustment but there is a second reduction stemming from the 49% value transfer outside the immediate family. All this will make your tax return more complex, but the trade-off is a sharply reduced contribution to college costs.

5. **Consumer Debt.** Under the need analysis formula, you get no credit for consumer debt. If you owe the bank $10,000 in car payments, that is your problem. But let's say you establish an equity access account with Merrill Lynch that lets you borrow against your home equity. If you draw $10,000 from this account to buy the new car, you have in effect reduced your home equity — a reportable item — by that amount. You pay less for college and have a new car to boot!

Tilting Things Your Way

There are five strategies available for tilting the financial aid process in your favor. The strategies are not mutually exclusive. The Clausewitz of aid seekers will probably employ all five.

Strategy 1 — Reducing the Family Contribution

In the chart on your left, **A** is your family contribution. **B** stands for your need. And **C** is the cost of attendance at the college of your choice.

Objective: By reducing A (your contribution), B (your need) becomes larger. In other words, you make yourself eligible for more assistance.

Methods:

1. **Thoroughly understand the need analysis process,** the factors considered, the percentages and weights assigned to them. Determine how these elements fit your situation. Then see whether you can make adjustments in your situation so that you will be treated in a way that is more advantageous to you.

2. **Reduce the value of your assets which you report for need analysis (I).** Under "Lessons From the Worksheets" we talked about why parental assets count less than student assets. We talked about how consumer loans can be used to reduce assets. And we talked about the possibilities of shifting assets to "sole proprietorships" or corporations. But there is more.

3. **Reduce the value of your assets (II).** How? *Example:* Do you know the true value of your home? In recent years, assessed values (which reflect recent sales prices) have become distorted through the use of "creative financing" — a technique which balances smaller monthly payments by buyers, often far below going interest rates, with an artificial increase in the home's valuation. Operating in exactly the opposite direction was the 1982 Supreme Court decision which limited the right of sellers to pass on to buyers an original, low-interest mortgage. This decision tends to lower the prices of homes. *Our advice:* take a hard look at what your home **is really worth** before you fill in a need analysis form.

4. **Reduce the value of your assets (III).** Do you need to make a large purchase before you sign and date your need analysis form, such as a new refrigerator or washer-dryer? Pay cash for the purchase, if you can. That will substantially reduce your reportable assets — and you'll also have cold beer and clean clothes.

5. **Declaring yourself independent.** Obviously, independent (or self-supporting) students do not include their parents' income and assets in their need analysis calculation; only their own, more limited resources. Hence, their contribution will be smaller, and their need larger.

Should you declare yourself independent, then, to gain access to more aid? Certainly, if you are really independent and can meet the three tests for independence described in **Chapters 4 and 8.** Absolutely not, if it is a ploy.

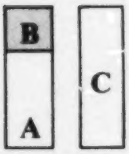
Colleges are very hard-nosed in demanding proof of independence. They may insist on receiving financial information from your parents and form a judgment about their ability to contribute. In fact, they may ask you to prove that your parents cannot afford to help you.

And there is a reverse of this. **If you are independent, do not inadvertently return to dependent status.** How can this happen? Let's say you are a 28-year old woman who has been on her own for several years. You decide that you want to finish your studies. To save money, while going to college, you move back in with your parents who are retired and live off a small pension and their hard-earned savings. But what happens now is not what you expected. The need analysis computer will regard you as a dependent student and demand that your old retired parents fork over part of their pension and their savings for your education. Lesson: once you have flown the nest, don't return.

6. **Obtain the most favorable need analysis method.** For folks with over $30,000 but under $75,000 in income, Uncle Sam offers two need analysis methods — the **Uniform Methodology** or the **GSL Methodology.** There is one catch, however. The GSL Methodology can be applied

only if the applicant waives the right to federal student aid other than a Guaranteed Student Loan. Since the GSL methodology pays hardly any attention to assets, an asset-rich family might consider opting for that methodology if it produces a full $2,500 per year GSL. Under the Uniform Methodology, the same family might qualify for a few dollars of "other aid" but a much smaller GSL. Be sure to have the college financial aid officer test you out under both methods and select the one which is most advantageous to you (and the college).

Strategy 2 — Increasing the Cost of Attendance



In the chart on your left, **A** is your family contribution. **B** stands for your need. And **C** is the cost of attendance at the college of your choice.

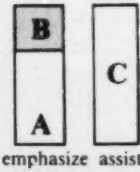
Objective: By increasing **C** (the cost of attendance), **B** (your need) becomes larger. The technique is especially appropriate for the "remaining need" calculation which determines the size of a Guaranteed Student Loan for families with income over $30,000.

Methods:

1. **Pick a more expensive school** if you assume that there is a direct relationship between cost and quality of an education. *Example:* your family contribution is $5,000 and you plan to attend a $6,000 school. The maximum GSL for which you qualify is $1,000. If you now select a $7,500 school, you could qualify for a $2,500 loan.

2. **Be sure all your expenses are reflected in the "cost of attendance."** Does the financial aid officer have a true picture of your transportation costs, special medical expenses, or other legitimate expenses that may have been overlooked by the school? *Let's take an example:* Your family contribution is $5,000 and the financial aid officer has established a $6,000 cost of attendance for you. The maximum GSL for which you can qualify is $1,000. You now convince the financial aid officer that his budget has omitted $500 in annual medical expenses which you face for a required therapy of one kind or another. Your budget now becomes $6,500 and you may qualify for a $1,500 GSL.

Strategy 3 — Obtaining an Improved Aid Package



The aid package that covers your need — **B** — is loaded with loan money that, one day, you will have to repay. You don't like that.

Objective: Change the composition of the aid package to emphasize assistance that will not have to be repaid — grants and work-study opportunities.

Methods:

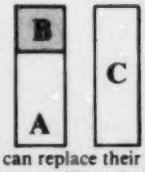
1. **Apply to colleges as early as possible,** before their money runs out.

2. **Pick a college that considers you to be in the top 25% of its applicant pool.** The most desirable applicants get the sweetest aid package. That's as true at the ivies as it is at Green Frog State. The big fish in the small pond gets the grant.

3. **If necessary, negotiate with the financial aid officer.** But remember, you can negotiate only if the college really wants you. Some attributes that will give you bargaining strength: Good grades and high SATs; athletic ability; talents; being the son or daughter of an alumnus, alumna; geographic origin — the college wants to brag that its students come from all 50 states and it doesn't have a representative from Idaho; minority member status. You might even ask a department head (if you are a genius) or a coach (if you are a triple-threat) to be your ally and advocate in such negotiations.

4. **Finding scholarships.** Locate outside scholarships. These scholarships will become part of your aid package. There, they will generally replace a loan element.

Strategy 4 — Replacing Your Money With Other People's Money



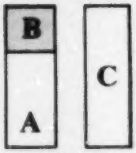
Objective: Getting somebody else's money to pay for **A** — your family contribution — is the most desirable but also the hardest strategy. Most people think that by finding a scholarship — any scholarship — they can replace their own money. That, of course, is not so. The scholarship usually finds its way into the **B** box.

Methods:

1. **Getting your employer** to pay the tuition (see **Chapter 12**).

2. **Qualifying for "no-need" scholarships.** The most common: **Academic scholarships** (see **Chapter 15**) and **ROTC scholarships** (**Chapter 8**). At this time, you should review the four situations described at the beginning of this chapter.

Strategy 5 — Lowering the Cost of College



Attempt to lower the cost of college — **C** — so as to reduce or eliminate your need — **B**.

Objective: To avoid going through the hassle of applying for aid or settling yourself with debt following graduation.

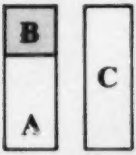
Methods: Chapter 20 summarizes the techniques available for lowering the cost of college. Among the more prominent:

1. **Picking a lower-priced school,** such as your State U.

2. **Examining each of the six elements** that make up "cost of attendance" at a college. Some are firm (such as tuition), but others you can influence, using an approach that is exactly the reverse of Strategy 2.

3. **Accelerate college** by taking college courses for credit while in high school or by getting credit by examination or advanced placement. Each semester hour that you can pick up can be worth as much as $250 (depending on the college's tuition cost).

Helping With the Cash Flow



Your family contribution — **A** — must be paid each semester. For poor people, the contribution can be as small as the "student summer savings" which colleges assess almost automatically, regardless of whether you actually found a job.

For those more fortunate in assembling worldly goods, the family contribution can represent a rather sizable sum which usually comes with the helpful note "unless this bill is paid by such and such a date your student will not be allowed to register for classes..."

How can one pay this bill without selling a stock that could still go up or taking out a high-cost commercial loan? One could turn to Uncle Sam and his **PLUS Loan** program at 12% (see **Chapter 8**). But PLUS Loans have some drawbacks. One, you may not find a lender. Two, they require payment to start within 60 days of taking out the loan. Three, they offer little flexibility in repayment; the schedules cannot be arranged to fit your personal situation. And, four, they have the usual comet's tail of paperwork, special forms, certifications, back-and-forth mailings and other rigamarole that attaches itself to most federal programs.

Objective: to pay your family contribution without liquidating assets, hocking the family jewels, or playing Uncle Sam's paper games.

1. **Select a College Which Offers Favorable, Middle-Income Loan Programs,** either from its own endowment funds or through money raised by state tax-exempt bond issues (more on this in **Chapters 7** and **9**).

2. **Select a College Which Permits You to Pay the Family Contribution in Installments** (see **Chapter 7**).

3. **Participate in a commercial college tuition payment plan.** Here is how such plans work: You predetermine the cash requirement that you will need for college — say $2,000 at the start of each semester. The commercial organization makes that lump sum payment to the college (or you) when due. You, in turn, make monthly payments to the commercial organization. Frequently, the plans have a life insurance feature that covers bills in the event of your death or total disability. If the account with the commercial organization is in your favor, you are paid interest; if the account is in a minus situation, you pay the interest. Plan sponsors include the *Knight Insurance Agency (53 Beacon St., Boston, MA 02108; EFI-Fund Management, 2700 Sanders Rd., Prospect Hts, IL 60070; Academic Management Services, 1110 Central Ave., Pawtucket, RI 02861; Tuition Plan, Concord, NH 03301).*

The best of the plans, from an examination of brochures, appears to be offered by **Student Financial Services,** Suite 501, One Perimeter Way, NW, Atlanta, Georgia 30339 (404) 952-2500. It seems to have the lowest overall cost (approximately $74 dollars for $4,000); greater flexibility in starting the plan — you don't have to wait until the student has been accepted by a college, but can start anytime; greater flexibility in dispensing the funds — they are not limited to tuition but can be used for all educationally-related expenses. Also, with this plan life insurance is not a requirement but an option.

4. **Tap Your Home Equity.** If your family has a good income and credit history, it can tap up to 70% of the cash locked up in home equity through special credit lines offered by organizations like Merrill Lynch (**Equity Access Accounts,** 1-800-854-7154, in California 1-800-542-6213). There is a small opening fee. After that, you don't have to apply again to borrow money. You borrow money when you need it, in the amount needed, simply by writing checks or using a special VISA card against the credit line. Interest usually floats at the prime rate plus two percentage points. You have from 5 to 10 years to repay the loan. Home equity loans are an extremely easy and flexible way for obtaining cash flow assistance on relatively favorable terms. But care must be taken that the ease of monetary access provided by these instruments will not cause you to get into deep financial problems and lose your home.

5. **Borrow Against Your Pension Plan.** If you work for a company with a pension or profit-sharing plan, see if you can borrow against the equity that you have built up in the plan. Or, if you are a self-employed professional with a

retirement plan or have a Keogh Plan, you might consider giving yourself a college loan. There are three advantages to such loans: (1) they will help with cash flow; (2) they will reduce your asset position; and (3) with self-employment loans you can set an interest rate that may help you obtain an added tax advantage.

"What If" Calculations

Every sophisticated family should try a few "what if" situations, using the **Appendix 1** or **2** family contribution worksheets. The results can surprise you. We'll suggest a few:

1. What's the impact on our family contribution if we make a charitable gift of $1,000 or $2,000 next year? (The answer: depending on your tax bracket, the resulting increase in your family contribution may more than offset the tax advantages of the gift).

2. Should mom get a job to help with college costs?

3. If mom needs to complete her degree work, is there any advantage if she returns to school at the same time that one or more children are in college?

4. If you have two children, one year apart, with one starting college and one starting the senior year in high school, would it be advantageous for the older child to "stop out" for one year and wait for Son #2 or Daughter #2 to catch up?

5. Try some of your own.

College Is Years Away

When college is still years away, the name of the game is to accumulate money to help with the inevitable bills. The schemes include:

1. **Savings in the Parents' Name.** The earnings will be taxed at your rate rather than the child's rate. But there is an overriding advantage we will discuss later on.

2. **A Savings Account in Junior's Name.** The first $1,000 in earnings are tax-free. After that, they are taxed starting at 12%.

3. **A Stretch-Savings Account.** Student Financial Services *(One Perimeter Way, NW, Suite 501, Atlanta, GA 30339)* permits you to set up a savings account that, when it becomes time for college, can be stretched to 3.5 times its value for paying tuition bills.

4. **Appreciated Stocks.** You give appreciated stocks to your child. The child sells the stocks. The capital gains are taxed at the child's rate rather than yours.

5. **Interest-Free Loan (Crown Loan).** You make an interest-free, demand loan to your child. The loan is invested and the earnings accrue to the child at the child's lower tax rate. Because of the IRS' dislike of such loans and various state laws that prohibit minors to borrow, you must follow special rules and create a trust arrangement. Cost: approximately $500.

6. **Clifford Trust.** A revokable trust, established for your child, that has a life of at least ten years and one day before the capital is returned to you. In the meantime, the earnings of the trust accumulate in the child's name. This device, too, requires professional assistance.

7. **Uniform Gifts to Minors.** An irrevokable gift to a child. Requires a special custodial account. Money accumulates under the youngster's lower tax liability.

8. **Create a Charitable Remainder Unitrust.** You donate a set amount of money to a college or a charitable institution, but stipulate that 5% or 10% of the value of the gift, including earned interest, be paid out each year into a custodial account established for your college-bound youngster. At the end of a designated time frame, the principal goes to the college or charity. Meanwhile, you, the donor, have taken a tax deduction, a college fund is being built for junior, and your favorite charity ends up with money for doing good. Professional help is required to set up such a trust.

9. **Invest in Zero Coupon Bonds or Easy Growth Receipts.** These are essentially municipal bonds, Treasury Bonds or corporate bonds stripped of their interest coupons. Owners receive no income while holding the bonds. The full return is paid at maturity or upon call. Thus, it is possible to buy an "A" rated municipal for $20.00 that, on reaching maturity in 2014, will return $1,000. Two drawbacks: there isn't the greatest market for zero coupon bonds and they may be called before reaching maturity.

In Whose Name — Parents' or Child?

The critical decision you must make, in any long-range capital accumulation plan, is to decide whether the plan will be in your name, at your tax rate, or in the child's name, at the child's tax rate.

If you think that you will qualify for financial aid, the decision is easy. The plan should be in the parents' name. The 35% student asset contribution rate, called for by the need analysis formula, makes quick mincemeat of any tax advantage obtained previously. Let's take the example of a $10,000 interest-free loan made at 10% by parents in the 50% bracket for seven years. At the end of the period, the money, at child's taxation rate, will have yielded $8,252. Had the parents retained the money, it would have yielded only $4,068. But remember: the $8,252 over four years of college, is subjected to four yearly contributions of 35% while the $4,068 is taxed at only 5%. How much is left at graduation date? In the youngster's account, the money will have dwindled to $1,474. If kept by the parents there would be $3,314 left. Moreover, the lower family

contribution from keeping the money in the parents' name yielded tuition aid dollars that, for a family in the 50% bracket, are worth $2.00 for each $1.00 received. The pre-tax value of the tuition assistance for the family in this example is $12,048.

You convinced me. I want to make that "in whose name" decision. But to make that decision, I must know early on whether I will qualify for student aid. How do I do that? Easy. Use **Leider's Patented Formula for Predicting Student Aid Eligibility.** It involves eight steps that use current (and not projected) figures.

Step 1. Calculate your Adjusted Gross Income.

Step 2. Take 5% of your assets.

Step 3. Add Steps 1 and 2.

Step 4. Pick the college that you think your youngster will attend. Enter the annual cost of that college.

Step 5. Divide Step 3 by Step 4. Write down quotient.

Step 6. For each dependent over 3, subtract 0.5 from quotient.

Step 7. If you will have two youngsters in college at the same time, divide quotient by 1.5.

Step 8. If final figure is 6 or more, you won't qualify for aid. Go for Clifford Trusts, Crown Loans, the works. If final figure is under 6, you will qualify for aid. Keep money in your name.

What People Won't Try

1. **Buying a Condo.** Three years ago, Henry Taub, an SMU student, purchased a condominium near the campus for $40,000. When he graduated last spring, he made a $30,000 profit — enough to pay off four years of college expenses.

Randy and Gregg Lipton moved to Tempe to attend the University of Arizona. They bought a three-bedroom house, converted a shed into a fourth bedroom, and collected rent from roommates. The Liptons are tickled pink with their investment. The rent covers mortgage payments. And, by owning property, the Liptons established Arizona residency, saving each more than $1,000 a year in out-of-state tuition.

Of course, Taub and the Liptons also saved on college room and board charges.

Worth looking into? You betcha.

2. **Getting on Dad's Payroll.** Can Dad give you a job in his business? Your earnings become a tax deductible business expense. And if you can limit your earnings to under $3,300 per year, you won't get taxed. That way, dad's business will be paying part of your college expenses. Worth looking into? You betcha.

Confused, Running Into Snags, Confronted With Too Much Hyperbole, Double Talk, Red Tape...

If all the techniques we described are confusing or too time-consuming or require too much research or cause you concern that you may be missing something or that you are required to keep too many balls in the air or that you don't know as much about financial aid as we do, then request our **free** brochure **We Can Help You** *(Octameron, PO Box 3437, Alexandria, VA 22302).* It describes our services. Unlike the brochure, these are not free. But the cost is very little and they can save you lots of time and, probably, money, too.

WE CAN HELP YOU

WITH

College Admission
College Selection
College Financing

PART III — ADDING TO YOUR RESOURCES

Each chapter in this part represents a distinct resource cluster — how to look for money at the college of your choice (or pick a college that has money for you), money from the federal government, from your state, from private sources, from community sources, from your employer, and so on.

In reviewing each opportunity, keep in mind the diagram that represents "family contribution," "need," and "cost of attendance," and try to relate the assistance to the proper block. Will the assistance become part of the aid package? Will it improve the composition of the aid package? Will it replace your own money?

CHAPTER 7 — PICKING YOUR COLLEGE

"If the check is good and the body is warm, you're in..."

(Eugene Wilson)

Rethinking Your Ideas About Admissions

Unless you plan to attend one of the few remaining highly selective colleges, brainwash yourself of the thought that it is hard to get into college. It's easy. Over 80% of all youngsters are accepted by the schools to which they apply.

In the old days, you would have selected five or six schools which included one or two where you had an outside chance of getting in, one where the odds were fifty-fifty, a couple where you had the edge, and a fall-back school that was sure to accept you. But today, when *"colleges are going to go after almost anything warm and breathing,"* as David W. Breneman of Brookings puts it, your selection strategy needs to be based on other factors than the possibility of rejection.

First and foremost among these other factors should be **a consideration of the financial aid offerings.** Look for:

1. Schools with **innovative payment plans.** These can ease the burden on the family budget.
2. Schools offering **innovative aid programs** which channel money toward the "wanted" student.
3. Schools with **mountains of cash.** They can usually handle your "need".
4. Schools which enjoy **leadership in selected fields of study.** They are usually well-endowed in these fields.

Next, take an interest in the college's **financial aid packaging philosophy.** A package that contains $3,000 in grants is worth a lot more than a package made up of $3,000 in loans. Generally, there is a direct relationship between the quality of the applicant and the quality of the aid package. The term "quality", moreover, is a relative concept. A student who may just slip in under the wire at one of the very competitive schools could well be a star at a less competitive college and receive a VIP financial aid package in accordance with the star status. **The lesson:** your standing with regard to the other applicants will have a major impact on the composition of the financial aid package. You will be wise to compare your qualifications with the profile of the entering class at each college that interests you. (The major admissions guides — *Lovejoy's, Orchard House* — do contain class profiles).

In one more break with the past, pay as much attention to the financial officer as the admissions staff. Develop a good understanding of what financial aid officers do, what their objectives and interests are, and how much elbow room they will let you have for give-and-take in negotiating an attractive and acceptable financial aid package. It will help you to read our publication **Financial Aid Officers: What They Do — To You & For You** *($2.00 postpaid, Octameron, PO Box 3437, Alexandria, VA 22302).*

Innovative Payment Plans

Installment Plans. Realizing that not many people can write a $2,000 or $4,000 check at the beginning of each semester, many colleges try to soften the blow by permitting you to spread the payments. Ask about installment plans. Here are the variants that you may encounter:

- **Interest Policy:** (1) No interest; (2) a fixed interest; (3) an interest on the remaining balance; (4) no interest, but a one-time fee.
- **Down Payment Policy:** (1) No down payment; (2) down payment of one third or one fourth.
- **Payment Frequency Policy:** (1) Ten monthly installments; (2) two installments per semester; (3) four installments per semester.
- A combination of these variants.

Prepayment Discount. Pay it all at once at beginning of the semester, and your tuition is discounted. Examples: 5% at the *College of Idaho* or *Gordon College (MA).*

Advance Payment Bonus. Place some money into your account before it is due. The college will add a 1% bonus each month to your credit balance. Example: *Marion College (IN).*

Tuition Freezes Guarantee that tuition will hold for a set length of time. Example: *Springfield College (MA).* A variant: invoke tuition freezes in the service of retention and limit them to 3rd and 4th years of attendance. Examples: *Johnson & Wales (RI).*

Guaranteed Tuition Plans — No Prepayment. Guarantee students that their tuition will not be increased in their sophomore, junior, and senior years. Examples: *Lynchburg College (VA); Gustavus Adolphus (MN); Gannon (PA).*

Guaranteed Tuition Plans — Deposit Required. Same as preceding plan, but college requires you to maintain a set sum on deposit — $2,500 at *Creighton (NE),* $5,000 at *Whitworth (WA).* Such plans may have a financing option.

Guaranteed Tuition Plans — Prepayment Required. Pay four years tuition in advance, at rate prevailing in the freshman year. Examples: *Washinbton University in St. Louis, University of Southern California, Case Western Reserve, Brandeis, Harvard-Radcliffe, Mt. St. Mary's (MD), Wesleyan (GA), George Washington (DC).* Usually, the college will lend the money to program participants or find a lender at favorable interest rates. Repayments may extend from four to fifteen years. Parents interested in such plans may find that a home equity loan (see preceding chapter) may prove to be a more flexible lending/repayment instrument than the college-offered options. The plan is most beneficial to people in high tax brackets who receive the greatest write-off on the interest payments.

Three-Year Option. The college offers a "time-shortened degree option" which permits students to satisfy graduation requirements in three years, saving one year in tuition costs. Example: *Barrington (RI).*

Use of VISA Cards for Bill Payment. Provides credit card holders with some flexibility but can cost them dearly in interest charges on unpaid card balances.

Use of Electronic Bank Transfers. A set amount is transferred from your account to the college treasury each month, without any human being touching the money. Example: *Creighton (NE).*

Barter. Do you have something that the college wants, besides your body? *The University of Detroit,* a member of the Michigan Trade Exchange, will barter with parents, trading tuition for everything from pens and pencils to lawn mowers.

Choice of Accommodation. Do you need a room with a view or will you settle for a window that lets you observe the backside of a dumpster? Colleges are now giving you a choice. *Tulane's* housing contract ranges from $1,560 to $2,030 per year, depending on location and type of room. *Seattle U.* offers three meal plan choices, ranging from cooking yourself to three squares per day in the cafeteria. Cost difference: $750 a year.

Innovative Student Aid Programs

Academic Scholarships. Almost 1000 colleges offer scholarships — generally of the "no-need" type — to students who meet special excellence criteria in grade point averages, SAT/ACT scores, or class standing. See **The As & Bs of Academic Scholarships** and **Chapter 15.**

Low Interest Loans. Many colleges have become low-interest lenders in order to offset Uncle Sam's yo-yo student aid policies and provide parents with certainty and stability in financial planning.

At *Lafayette (PA),* for instance, parents who don't qualify for need-based aid can borrow $3,000 per year to a maximum of $12,000. Lafayette will pay the interest on the loans during the undergraduate years. Repayment of the principal does not have to start until the student graduates. Parents then have twelve years to repay at 12.5%

At *Fairleigh-Dickinson,* the college's own foundation is using $100,000 to subsidize parent loan interests, keeping them at 9%.

Dartmouth has earmarked $13 million for student loans at an interest rate slightly below 12%, with the money coming from a tax-exempt bond offering.

Lawrence (WI) loans have an interest rate that corresponds to the 91-Day Treasury Bill rate while the student is in school. Repayment of principal is deferred until after graduation. At that time, the interest rate becomes Treasury Bill plus 4 points.

Other examples: *Arkansas College,* 10%; *Agnes Scott (GA),* 10.5%; *Taylor (IN),* 7%; *Grinnell (IA),* 9%; *Creighton (NE),* 9%; *Sarah Lawrence (NY),* 5%.

Quickie Loans. Many colleges offer short term, small loans to tidy students over temporary financial crises.

Middle Income Assistance Programs. Special scholarships and loans for middle-income families. Example: *Hofstra University.*

Family Plans. Rebates or lower tuitions when more than one family member attends the college. And that includes not only brother and sister, but also mom and dad — and even grandma. Examples: *Barry (FL)* allows a $500 remission for the first family member, $1,000 for the second. At *Belmont Abbey (NC)* the remission is $900. *Lake Erie (PA)* has a two-for-one special for twins. At *Messiah (PA)* it's 50% off for the second family member. At *St. Michael's (VT)* it is $1,000. *Seton Hill (PA)* will give the mothers of graduates a 50% tuition remission.

Alumni Children. At *Rockmont (CO),* alumni children get a special 10% discount.

Awards for Academic Achievement. Many colleges have special scholarships and awards for

the top enrolled (not entering) students. At *Wheaton (IL)* this award is worth $1,000. Other schools, like *Bethune-Cookman (FL)*, reward academic improvement: increase your GPA by half a point, and you'll get merchandise coupons that you can spend at the college bookstore.

Matching Scholarships. *Luther (IA)* will match church scholarships up to $300. Other schools such as *NYU* or *Capital U (OH)* will match state regent awards. *Fisk University* will match any National Merit award.

Remissions for Work. At *Warren Wilson (NC)* and *Blackburn (IL)* students get free room and board. But they must put in fifteen hours of campus work every week. Many other schools provide room and board for residence hall supervisors. You may not qualify for that in your first year, but it's an opportunity you should know about.

Remissions for Student Leaders. Many colleges will provide free tuition to campus leaders — officers of the student government, editors of the school publications. Again, this won't happen to you on admission. But here, too, you should know about it in advance so that you can plan your campaign for student body president.

Off-Hour Rates. Many colleges set lower credit hour charges for courses taken during off hours — evenings and on weekends. Examples of regular and off-hour rates: *Albertus Magnus (CT)* $179 & $100; *Butler (IN)* $180 & $65; *Muhlenberg (PA)* $160 & $90; *Furman (SC)* $150 & $53.

Recruiting Discount. Bringing in another student can pay off. *Columbia Christian (OR)* or *Neumann (PA)* will provide you with a 10% tuition discount for finding a new student.

Moral Obligation Scholarships. A new invention. Not a scholarship. Not a loan. The college provides money to the student and attaches a moral — but not a legal — obligation to pay it back after graduation. A special sweetener: until IRS changes its rules, the pay-back becomes a gift to the college and a tax deduction to the former student. Example: *Beloit College (WI)*.

Trial Attendance. Some colleges say, "Try us and see if you will like us." *Thiel (PA)* offers 50% off the first six credits that a new student takes.

Bucking the Trend. Some colleges seek to win the enrollment competition by actually lowering tuition. Example: *Biscayne College*.

Emphasis on Student Employment. Many colleges have beefed up their placement offices to help students find on and off-campus employment. Examples: *University of Texas, Notre Dame, Furman*.

Bluffton Colleg (OH) has budgeted over $300,000 for campus employment in a "Learn & Earn" program. *Cabrini (PA)* underwrites a "Job Squad" that performs odd jobs. *Princeton* assists students who want to become entrepreneurs.

Cornell, in a massive program, offers over 400 students $2,000 work grants in the hope of reducing their dependence on loans. Cornell also plans to create 500 summer jobs by paying half the students' wages in career-related occupations in both the public and private sectors.

Amherst is using its formidable alumni network to locate student summer work opportunities.

Special Scholarship Drives. Some schools have launched special fund-raising drives aimed to increase their in-house financial aid kitty. Examples: *Colby* ($4.5 million); *SMU* ($9 million); *Concordia (MN)* ($1 million); *DePauw (IN)* ($30 million).

Helping Students Find Scholarships. *Boston University* now has a special office to help students find grants, scholarships, etc.

Older Student Remissions. If you are over 30, *Coe College (IA)* will discount your tuition by 25%. If you are over 45, you can have 50% off. AT *Tiffin (OH)*, you must be over 55 to get 50% off.

Special Students. Colleges look for students with unique interests or backgrounds. *Brown* has special scholarships for students who spent a year or more doing full-time volunteer work. *Urbana (OH)* and *St. Francis (IN)* give special scholarships to any member of the National Honor Society. Linfield (OR) has an award for Junior Miss state finalists. *Iowa State* offers full-tuition loans to students who want to go into teaching math and science. For every year they the students teach in Iowa, following their graduation, 25% of their loan will be forgiven.

Retention Awards. Retaining enrolled students is important to colleges. Some offer financial inducements to have you come back each year. Example: *Hartwick (NY)* will cancel part of its loans as a retention award.

Travel Awards. Some schools want to repay you either for a campus visit or, if you are enrolled, for the distances you must travel to obtain your learning. The *Indiana Institute of Technology* will give you a $100 credit for a campus visit if you decide to enroll later on. *Atlantic Union (MA)* offers a travel scholarship worth $0.15 per mile for every mile over 200 miles, one-way, four times each semester.

Loan Origination Fee. Guaranteed Student Loans carry a 5% loan origination fee. *Ohio Wesleyan* will pay your origination fee.

Adopt at Student. *Trinity (CT)* has convinced local corporations to help students with scholarship money. *Mary Holmes (MS)* has turned to churches and even individual sponsors to help designated students. In a variant of the adoption program, schools have asked corporations to extend grants and interest-free loans to students which will be forgiven if the student, after graduation, goes to work for the sponsor. Examples: *U. of CT, Beloit (WI)*.

Students Helping Students. When that happens, it's a sign of good morale and a helpful campus. At *Azusa Pacific (CA)*, students raised

$16,000 for scholarships in a phonathon. At *Sarah Lawrence*, a scholarship auction netted $7,000. At *Brown*, the University puts $4 in the college's scholarship fund for every hour that student volunteers spend picking up litter on campus. At *Georgetown (DC)* students have organized a credit union and at *Guilford (NC)* students have raised over $100,000 to start a loan fund of their own.

Running Start. Many colleges let high school seniors take courses. **Caution:** At some schools the credits are not transferable. At others they are. Some schools will charge for the credits if the student intends to transfer them, waive the charge if the student will enroll full-time following HS graduation. Example of good program: *Franklin (OH)*.

Helping the Unemployed. *St. Ambrose (IA)* offers scholarships to the unemployed that are geared to the local unemployment rate: half tuition if the unemployment rate is between 5% and 9%; full tuition if it tops 10%. *Anderson (SC)* allows unemployed people and their dependents to enroll tuition-free, with payment deferred until they are again working. *Massachusetts* is spending over $400,000 to enroll unemployed heads of household at state universities and colleges. *Taylor (IN)* is waiving tuition for students whose parents are out of work. And *Northeastern* granted 100 full scholarships to residents of public housing in the Boston area.

Guaranteed Student Aid. *Carlow (PA)* guarantees students renewal of need-based awards received in the freshman year for the sophomore, junior and senior years, provided that the students' GPA places them in the upper half of their class.

A Birthday Gift. To celebrate its 100th anniversary, *Dana (NE)* let each of the school's 101 graduating seniors award a $4,000 scholarship to any new student of their own selection who met Dana's admission requirements. **Note:** the opportunity is past, but you might want to take another look at Dana if you are searching for an innovative, imaginative college.

It Doesn't Hurt to Ask

When thinking about colleges, you may want to do more than just browse through the catalogues and photographs of happy young people learning, experimenting, and tossing frisbees.

Drop a note to admissions and say, "I am interested in applying to your school. Please advise me which of the following student aid programs you offer..." and then list all the subheadings that we have used to describe innovative payment and student aid programs. **Other questions:**

1. Do you have a per-student-limit on the aid you provide? *Reason:* Some schools set such ceilings, i.e. a $2,000 per student maximum.

2. Is there a minimum of need which I have to demonstrate to qualify for aid? *Reason:* Some schools will not consider students for aid unless they demonstrate $500 or $800 or more of need. (If your preferred school has that policy, turn back to **Chapter 6**, the Advanced Course, for methods for increasing your need).

3. Do you have a standard "unmet need" figure for each aid recipient? *Reason:* Some schools will, automatically, leave each aid recipient $500 short of filling his or her need. The formal name for this technique is "**gapping.**" According to the NY Times, it is "the academic equivalent of short-suiting."

4. What is your expected "summer earnings" figure? It can range from $700 to $1,200. The colleges will expect that amount, whether it comes from the student's contribution or the parents' contribution (See **Chapter 5**).

5. Is there an application cut-off date for guaranteeing a student's unmet need? Some colleges say that they can meet all need for students whose applications are received prior to Date X. But no such guarantee extends to students who apply after the cut-off.

6. Do you maintain financial aid "**waiting lists**" or accept students on an "**admit-deny**" basis? Translated into English, these practices mean that financially needy students are welcome but that they will not receive financial aid.

7. If you are worried about the college's financial survival, you can't ask for a corporate balance sheet. But you might check with the college's development office to learn what percentage of alumni are participating in the school's fund-raising campaign. At *Randolph-Macon (VA)*, for instance, it's 62%. Other schools with high rates: *Dartmouth*, 65.5%; *Siena (NY)*, 65.1%; *Williams (MA)*, 63.6%; and *Centre (KY)*, 60.1%. When colleges have that kind of alumni support, they are not going to go under.

The Rich Schools

Rich schools, obviously, will have more funds available for student aid than poor schools. Here are the wealthiest by endowment:

- **Over $1 billion:** Harvard, University of Texas.
- **Over $500 million:** Yale, Stanford, Columbia, Princeton, MIT.
- **Over $300 million:** U. of Chicago, Rice, Cornell, Northwestern, NYU, Washington U. in St. Louis.
- **Over $200 million:** Emory, Rockefeller U., U. of Pennsylvania, Johns Hopkins, Dartmouth, Notre Dame.
- **Over $100 million:** Southern Cal., Vanderbilt, U. of Virginia, Duke, Wellesley, U. of Delaware, Case Western Reserve, Brown,

Carnegie-Mellon, Wesleyan, Smith, Michigan, SMU, U. of Cincinnati and Baylor.

Schools with private funds at their disposal generally enjoy greater flexibility in setting financial aid awards than schools which disburse assistance that is provided, in the main, by the federal government. The former have wide discretion — it's their money — and can take individual circumstances into account. The latter have little flexibility. Their award policies — to whom and how much — are severely circumscribed by rules, regulations, red tape, and Mickey Mouse of a magnitude that has led some to refer to their burden as Mickey Rat.

Leadership in Selected Fields

Colleges which are acknowledged leaders in selected disciplines (i.e. the midwestern colleges in agriculture; the western schools in mining and geology, etc.) are usually heavily endowed by private sponsors in the areas of their special expertise. You are far more likely to find an agriculture scholarship at Purdue than at Baruch College in New York City, or a petroleum scholarship at the University of Oklahoma than at the University of the District of Columbia. Or if you need support for the study of fruit flies, you would not be wrong in enrolling at *Bowling Green (OH)* which has the largest collection of *Drosophila Melunogaster*.

If you don't know who is best in what, ask the guidance staff or school library to pick up a copy of **Rugg's Recommendations on the Colleges** *($6.00, Whitebrook Books, Box 746, Easthampton, MA 01027).*

Who is tops in **Architecture,** according to Rugg? *Columbia, Cooper Union, Georgia Tech, Illinois Inst. of Technology, MIT, Rensselaer, Rice, Tulane, University of Virginia and Washington U. (MO).* How about **Journalism**? *Boston U., University of NC, Northwestern and the University of Wisconsin.* **Pharmacy?** *Butler, Creighton, Purdue and Rutgers.*

Dealing With Financial Aid Officers

The median salary of financial aid officers, in 1982/83, was $25,100. You might want to keep that sum in mind as you get ready to explain how your $65,000 income has been ravaged by inflation to the point of making it impossible — absolutely impossible — to handle your family contribution.

Remember that, in the main, financial aid officers dispense public funds — tax money — and that such expenditures are usually quite closely constrained by law and regulation.

Financial aid officers do have some flexibility in the awarding of the colleges' own funds and in the treatment of changed circumstances — such unfortunate events as death, disability, disaster, divorce, and other misfortunes.

If you feel that any element of your award letter — the student's expense budget, your family contribution, or the mix of aid programs offered — should be changed, then go ahead. But do so with sound reasons and, if necessary, with documentation. And keep in mind that one catches more flies with honey than with vinegar.

CHAPTER 8 — THE FEDERAL GOVERNMENT

"Every year they (the Federal Government) notify you later and later on how much money you have to spend. They are not here on the front lines... They don't know what we're dealing with... It's very frustrating when the student wants answers and we don't have them..."

(Financial Aid Officer)

Do not forsake me, oh my Uncle
Before commencement day.
Do not change programs, oh my Uncle
Please, please—I say.
I do not know what costs await me,
I only know there will be more.
And I must have what grants you give me
Or be a drop-out, a lazy drop-out,
Or be a drop-out sophomore.

Every Student's Song

Meet Your Uncle — Uncle Sam

It's hard to meet college costs without also meeting Uncle Sam. For many youngsters, applying for financial aid represents their first encounter with Uncle Sam.

One thing will be apparent very quickly. Getting things from Uncle Sam is no more pleasant an experience than giving him things, such as your money in taxes or your body in the draft. Uncle is a tough man to deal with. Here is what you should expect:

Uncle Sam likes forms. Lots of forms. Most of the forms have an awkward layout and don't seem to follow a logical sequence. And the instructions you get for filling them out will be poorly written. When the forms you completed — along with those submitted by another 600,000 students — bounce back, you will be blamed, not the forms' designers.

Uncle Sam makes a sharp distinction between "authorizations" and "appropriations." A program may be authorized, but that doesn't mean a nickel (appropriation) will be spent on it. Be careful if you hear about a much-heralded $10 billion student aid program. Before you let your expectations get too high, make sure that the money for the program was actually appropriated.

Uncle loves semantics and fine distinctions. His authorization bill — the one the politicians brag about passing — may promise a chicken in every pot. But the enabling legislation, usually expressed in regulations, may define "chicken" to mean "any part of the bird." A claw or feather will do. Or the definition may emphasize the avian nature of a chicken. The operative word then becomes "bird" and any bird can be substituted for a chicken — even a sparrow or a crow. To paraphrase the comedian, "What you see ain't what you get."

Uncle is a social engineer. After redefining chicken, he will turn his attention to the pot. He may rule that anybody who owns a pot large enough to hold a chicken is too rich to qualify for a fowl. Only owners of small pots can get birds — the smaller the pot, the bigger the bird.

Uncle's promises don't hold for very long. Any program can be supplemented, altered, modified or rescinded in mid-year or near election time when it becomes important to hold down expenses and balance the budget. A promised grant of $1,800, on which you had counted, can well shrink to $1,700 or $1,600 when it's time for you to collect.

Uncle likes to arm wrestle with himself. If the Administration doesn't like what Congress has mandated, it will delay, miss deadlines, base its case on budget figures that Congress had rejected (but not yet replaced), blow smoke over the issues, hold up regulations, or tie up appropriated funds. By such tactics, laws that have been passed often are never enacted.

Uncle's timing does not correspond to the academic cycle. When you want to start planning for the next academic year, usually in September, Uncle is not ready for you. By the time he can tell you what he will do for you, your plans are already made. If Uncle's contributions, when you finally learn about them, are less than expected, you are going to have to change your plans.

But when all is said and done, Uncle Sam is still your main source of financial aid. Warts or no warts, you had better learn to live with him and like him.

Some Concepts: Dependent, Independent, and Half-Time Students

Being a **dependent** or an **independent student** can have quite an impact on your eligibility and the size of your awards. To review the definitions, a **dependent student** is a student who is at least partially dependent on his parents for support. An **independent student** is not. To qualify as an independent student, you must meet the following tests for this year and next year: (1) was not and will not be claimed by parents as a U.S. Income Tax deduction; (2) did not and will not live with parents more than six consecutive weeks during each year; and (3) did not and will not receive more than $750 during each year in assistance from parents.

But because independent status is often abused, Uncle has been thinking about tightening the definition. One of his ideas: hardly anybody under age 22 should qualify as independent. It hasn't happened yet, but it may.

Also, keep in mind that this definition of dependent and independent relates to federal programs only. It may or may not apply to money from the states or money from the colleges' own resources.

You must also be at least a **half-time student** to qualify for most federal student aid. Half-time students are those attending school six semester or quarter hours per academic term for *schools on the semester, quarter or trimester system;* 12 semester hours or 18 quarter hours per school year for *schools that use a credit hour system;* or 12 clock hours a week for *schools that use clock hours to* measure course programs.

The Big Six Today

Uncle's main student aid flows through six gigantic programs. Three are student-based — the **Pell Grant** Program, the **Guaranteed Student Loan** Program and the **PLUS** program (also

known as the **ALAS — Auxiliary Loans To Assist Students** program). You apply for assistance under these programs and the money comes to you.

The other three programs — **Supplemental Educational Opportunity Grants, College Work-Study** and **National Direct Student loans** — are campus-based. That means, Uncle funds the colleges. The colleges, in turn, dispense the money to students in accordance with federal guidelines.

Table 6 captures the broad characteristics of the "Big Six."

Program		Level of Study		Need-Based		Part-Timers		Need Analysis System
		Under-grad	Grad	Yes	No	Yes	No	
Pell Grant		X		X			X	Pell Grant
GSL	**Under $30,000**	X	X		X		X	UM
	Over $30,000	X	X	X			X	UM, GSL*
PLUS Loans	**Parent**	X			X		X	UM
	Independent Student	X			X		X	UM
	Graduate Student		X		X		X	UM
SEOG		X		X		X		UM
CW-S		X	X	X		X		UM
National Direct Student Loan		X	X	X			X	UM

*If income is over $75,000, UM Must be used. See Chapter 5 for description of need analysis systems.

Table 6: Characteristics of Major Federal Student Aid Programs

Program Information:

(1) **Call (301) 984-4070.**

(2) **Booklets.** Usually in January Uncle publishes a free booklet called **Five Federal Financial Aid Programs.** It's available from Federal Financial Aid, **Box 84, Washington, D.C. 20044.**

Application Forms: Review **Chapter 5.**

Student-Based Programs

1. PELL GRANTS. For most students, Pell Grants (formerly known as BEOGs) are the foundation of student aid, the bottom layer of the financial aid package. More than $2.8 billion of Pell grant money will be dispensed in school year 84/85.

The grants should range between $200 and $1,900 or half the college's cost of attendance, whichever is less. That's a promise that may or may not be kept. The grants were supposed to have had an $1,800 max in 80/81. The top, in fact, was $1,750. In 81/82 they were supposed to reach $1,900. Actually the top amount was $1,670. And in 82/83, Congress swore that the top amount would be $1,800. It was $1,674.

Your eligibility for an award and the size of the award are based on a need analysis using the **Pell Grant Methodology.** If your family is judged capable of contributing $1,600 or more under that methodology, you probably won't qualify for a Pell Grant. If your family contribution is less, you should qualify. The smaller the family contribution, the bigger the Pell Grant.

Let's assume the range will be $200 to $1,900. Let's also assume that you are eligible for a maximum award and that you attend a college costing $2,000. All you can receive is $1,000 (50% of attendance cost). Now you go to a school that costs $6,000. You receive $1,900 (the maximum Pell Grant).

Application for a Pell Grant can be made on **every need analysis form** in use. **Important:** *Apply for a Pell Grant, even when you know that you are not eligible.* Colleges and the states expect you to do so and won't consider you eligible for other awards unless you have been turned down for a Pell Grant.

You cannot apply for the grant until after the end of a calendar year. The reason: Uncle wants to know how much you and/or your parents earned during the preceding year for tax puposes. This places Uncle's desire to know in direct conflict with your personal planning. It may be April or later by the time you get a report back on (1) your eligibility and (2) the size of your award. Of course, all your college applications will have been submitted at this time and you may already have acceptance notices. Under this timing, you carry out your college selection planning while being completely in the dark about whether Uncle will (or will not) help with expenses.

We think students should know at the start of their planning whether they can expect assis-

tance. For this reason we have prepared **College Grants From Uncle Sam (see Reference Section)** and urge that you obtain this booklet and use its simple tables and worksheets to calculate your eligibility and size of award.

Things to Know About Pell Grants:

- If you are a ½-time or ¾-time student, you receive 50% or 75% of your award respectively
- Even if your school has no tuition, it will be judged to have a cost of attendance ($1,100 to $1,600 living expenses and $400 book and miscellaneous expenses). Thus, the 50% cost-of-attendance rule generally corresponds to a $750 to $1,000 award.
- More than one million applications will be selected for validation. That's when you have to produce copies of income tax forms and other documents for a comparison check. Some returns are selected for validation on the basis of "pre-established criteria." That's bureaucratese for "something smells fishy."
- Approximately one third of all applications receive a "rejection edit" which requires correction or verification. The characteristics of applicants most likely to be rejected are those who report (1) zero income, (2) leave critical fields blank, (3) have high unusual expenses, (4) have farm assets below $1,000, (5) report non-taxable income greater than $12,499, or (6) report marital status as widowed but show two incomes.
- If there is a drastic change in personal or financial circumstances after you have applied, submit a **Special Condition Application** (get it from your school or Box 84, Washington, D.C. 20044).

2. GUARANTEED STUDENT LOANS. A distinction is made in the treatment of families with annual adjusted gross incomes of $30,000 and less or $30,000 or more.

Under $30,000. No need test. *For undergraduates:* $2,500 per year for a total of $12,500. *For graduate students:* $5,000 per year for a total of $25,000, minus what you borrowed as an undergraduate.

Over $30,000. Remaining need test. Remaining need corresponds to Cost of Attendance minus Family Contribution minus other aid (see **Chapter 5**). Awards are as follows:

(1) Remaining Need under $500 — Banker may give you a GSL in the amount of remaining need. But this is highly unlikely. The bank probably doesn't want to go through the paperwork hassle for so small a loan.

(2) Remaining need between $500 and $1,000 — you are eligible for a $1,000 GSL.

(3) Remaining need over $1,000 — you are eligible for a GSL in the amount of your remaining need, to a maximum of $2,500 per year for undergraduate studies and $5,000 per year for graduate studies. Examples: You are an undergraduate with remaining need of $1,750. Your loan: $1,750. You are an undergraduate with remaining need of $4,000. Your loan: $2,500.

Loan Origination Fee. The bank will subtract 5% of you loan amount as a loan origination fee. The 5% — you will be glad to know — ultimately ends up in Uncle Sam's pocket, not the banker's. (Example: Loan is $2,500. You receive $2,375. $125 is the origination fee).

Interest Rate: For new loans after Sep. 13, 1983: 8%. Loans taken out prior to that carry 9% and remain at 9%, even if they are renewed.

Interest Subsidy: Uncle Sam pays interest on the loan while you are a student and for a six-month grace period after you complete your studies.

Minimum annual repayment: $600.

Years to Repay: 5 to 10.

Who Makes Loans: Private lenders, i.e. banks, S&Ls, credit unions. Also some states are in the lending business.

Two-State Rule. You can borrow either in your state of legal residence or in the state in which your school is located. This doubles your chances of locating lenders.

Locating Lenders in a Hurry. See **College Loans From Uncle Sam (Reference Section).**

Under certain circumstances, loans can be **deferred, postponed, canceled** or **consolidated.**

3. PLUS LOANS (also known as **ALAS**). Program should be available in all states. Program is **not** based on financial need.

Three Types of Loans:

(1) Parents of undergraduate students. $3,000 per year per undergraduate, dependent student for maximum of $15,000 per student.

(2) Graduate students. $3,000 per year for maximum of $15,000.

(3) Independent, undergraduate students. $2,500 per year, minus any amount borrowed under the Guaranteed Student Loan program. Total amount borrowed under PLUS and GSL cannot exceed $12,500.

Interest Rate: 12%.

Repayment: To begin within 60 days of taking out the loan. Extends from 5 to 10 years.

Caution: The combined total of a PLUS Loan and other aid cannot exceed the student's cost of attendance.

Who Makes Loans? Private lenders, i.e. banks, S&Ls, credit unions.

Locating Lenders in a Hurry. See **College Loans From Uncle Sam (Reference Section).**

Under certain circumstances, loans can be **deferred, postponed** or **canceled.** See **College Loans From Uncle Sam.**

College-Based Programs

4. SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS. Program administered by colleges with funds received from the federal government. $270 million per year.

Size of awards: From $200 to $2,000 per year for each year of undergraduate study.

Criteria for Selection: Need and availability of funds. Be smart. Apply early.

Part-Timers: 10% of funds may be set aside, at school's discretion, for support of less than half-time students.

5. COLLEGE WORK-STUDY. Program administered by colleges with funds received from the federal government. About $600 million per year.

Eligibility: Undergraduate and graduate students.

Criteria for Selection: Need and availability of funds. Be smart. Apply early.

Program Description: On-and-off campus employment. Salary based on current minimum wage. Size of award cannot be exceeded. Thus, if student receives a $1,000 CW-S award, the employment lasts until $1,000 is earned. Employment is then terminated for that academic year.

Part-Timers: 10% of funds may be set aside, at school's discretion, for support of less than half-time students.

6. NATIONAL DIRECT STUDENT LOANS. The college acts as lender, using funds provided by the federal government.

Eligibility: Undergraduate and graduate students.

Criteria for Selection: Need and availability of funds. Be smart. Apply early.

Size of loan:

(1) $3,000 total in first two years of college.

(2) $6,000 between third year status and baccalaureate (minus what you borrowed in first two years).

(3) $12,000 for graduate study (minus what you borrowed as an undergraduate).

Interest rate: 5%.

Interest Subsidy: No interest while a student and during 6 months grace period following graduation.

Repayment: 10 years.

Under certain circumstances, loans can be **deferred, canceled** or **consolidated.** See **College Loans From Uncle Sam (Reference Section).**

Loan Consolidation

Uncle has made it easy for students to start their professional careers deeply in debt. To facilitate paying off that debt, he authorized in 1981 **"loan consolidation"** programs. Under these programs students can stretch their payments over up to twenty years (which reduces the montly amount and gets inflation to work for you) or to graduate their payments. That means, you start off with small payments and have the payments increase as earnings power increases. For more information on loan consolidation, write to: *Student Loan Marketing Association, Loan Consolidation Program, 1050 Thomas Jefferson, NW, Suite RL, Washington, DC 20007,* and ask for their **Options Brochure.**

The Big Six Tomorrow

All federal programs must be reauthorized periodically. Student aid is no exception. 1984 and 1985 are the years in which the Administration, a National Commission, lobbyists, collegiate organizations, and special interests will toss their contributions into a big pot in which Congress will cook a new Higher Education Act that can impact as early as the 1985/86 academic year.

How many programs will emerge from the pot? Nobody knows. Maybe seven. Maybe two.

But there are some things you can count on:

- Interest rates, eligibility criteria, family contribution schedules, need analysis formulas, forms, and program names will be different.
- The process of applying for aid and administering aid will increase in complexity.
- No matter what you plan on majoring in, your participation in federal student aid will provide you with a non-credit minor in accounting.

The Military Connection

Don't overlook the military as a source of financial aid. Our uniformed services have an extremely high regard for education. You can pick up tuition dollars before you enter the service, while in the service, and after being discharged from the service, as shown in the box. There are programs for active duty and programs for being in the National Guard and Reserve. And there are programs for officers and programs for enlisted personnel.

Military educational benefits are dispensed with no reference to financial need. You qualify for them, whether you are rich or poor. But they are not free. The military will want something in return. As a minimum this will include a haircut plus a few months or a few years of your time.

Service Status	Programs
Before Entering Service	ROTC; Academies; Medical programs.
In Service	Off-duty programs; formal education programs leading to associate, baccalaureate and higher degrees.
After Service	GI Bills.

You Want to be an Officer. Try the **Service Academies** and **ROTC.** The Academies are quite competitive. Good grades, extracurricular activities and leadership are in demand. In return, you get an education, living expenses, medical care, clothing and an allowance. As for ROTC, you should know that there are two programs. There is the **regular 4-year program** in which you qualify for a $100/month subsistence allowance in your junior and senior years. And then there is the very competitive **2-, 3-, 4- or 5-year scholarship program** which pays for all tuition, fees and textbooks, plus the $100/month subsistence allowance. Watch the early deadlines for the scholarship program. To get more information, write:

Service	Academy	ROTC
Army	Admissions Office, USMA, West Point, NY 10096.	Army ROTC, Ft. Monroe, VA 23651.
Air Force	Director of Cadet Admissions, USAF Academy, CO 80840.	Air Force ROTC, Office of Public Affairs, Maxwell AFB, AL 36112.
Navy/Marines	Superintendent, ATTN: Candidate Guidance, U.S. Naval Academy, Annapolis, MD 21402.	Navy Recruiting Command, Code 314, 4015 Wilson Blvd., Arlington, VA 22203. Commandant of Marine Corps, Code MRRO-6, Hqs, USMC, Washington, DC 20380.
Coast Guard (Not a Military Service.)	Director of Admissions, U.S. Coast Guard Academy, New London, CT 06320.	None.
Merchant Marine (Not a Military Service.)	Admissions Office, U.S. Merchant Marine Academy, Kings Point, NY 11024.	None.

You Want to be an Enlisted Man or Woman. Active duty enlistments can earn you college credits and tuition money. All services have arrangements with civilian colleges and not only permit but encourage off-duty course work, with the services picking up from 75% to 90% of the cost.

Ask a military recruiter about the Army's *Servicemen's Opportunity College,* the Navy's *Campus for Achievement* and the Air Force's *Community College of the Air Force.*

Then consider the current GI Bill, formally known as the *Veterans Educational Assistance Program (VEAP).* It is a contributory system. While on active duty you can allocate up to $2,700, in monthly installments or in a lump sum, to your education fund. The government will match your contribution two-for-one, tossing in $5,400. At the end of your enlistment, you have an $8,100 tuition kitty. The tuition kitty can *be sweetened with some fat education bonuses offered by the Army for enlisting in such fields as the Infantry. These can add $12,000 to the $8,100 which you already have.*

Also, under certain circumstances, if you hold a **federal student loan,** Uncle Sam — in the form of the Secretary of Defense — may repay that loan at the rate of $1,500 per year or 33% of the outstanding loan, whichever is greater, for each year that you serve on active duty.

Military Medical Programs. There are lots of ways to get the services to pay for your medical education. Check these programs:

Program	Description	More Information
Uniformed Services University of the Health Services	School of Medicine. 175 openings per year. Students receive lieutenant's pay, all tuition and expenses.	Admissions, USUHS, 4301 Jones Bridge Rd., Bethesda, MD 20814.

Program	Description	More Information
Health Profession Scholarships	5000 per year. Generous stipend per month plus all college costs. Medicine, Osteopathy.	Ask for scholarship fact sheet from Assistant Secretary of Defense (Health Affairs), The Pentagon, Washington, DC 20301.
ROTC Nurse Program (Army & AF)	Students at an approved nursing school affiliated with an Army or AF ROTC unit. **Army:** 50 2-yr scholarships per year, all tuition plus $100/month. **AF:** $100/month.	AFROTC Office of Public Affairs Maxwell AFB, AL 36112. or Army ROTC, Ft. Monroe, VA 23651.

Your Best Bet: Not Going on Active Duty But Joining the Reserve or National Guard. When the military became queasy about declining strength in the Reserve Components, it began tossing benefits from all directions at potential enlistees. You might as well take advantage of these goodies. You can have one or just about most of them at the same time. **Take the National Guard:**

- Most states (see **Chapter 9**) will provide you with an educational benefit for joining the Guard. Usually, this benefit takes the form of reduced tuition at the State U.
- On top of the state benefit, Uncle Sam will offer you $4,000 in educational assistance over four years ($1,000 per year).
- If you now join the Army ROTC, the National Guard will promot you to sergeant with the higher drill pay that goes with the grade as well as the ROTC subsistence allowance.
- Should all these benefits not pay your tuition and you decide to take out a Guaranteed Student Loan, your membership in the Guard may cause your loan to be repaid at the rate of $500 per year or 15% of the loan, whichever is greater.
- Finally, there are enlistment bonuses and drill pay — for weekend and summer drills — to put more money in your pocket.

Not bad, eh? The Reserves are not quite as generous; but they, too, are worth investigating.

A Couple of Thoughts About the Military

Always keep in mind that **the services are benefit plumbers.** If recruitment is meeting its objectives, the stream of goodie benefits is turned to a trickle. When recruitment suffers, the valves are turned on full-blast.

If you are a woman, expect a fickle attitude toward the contributions of which you are capable. When recruiting is tough, the services will proclaim that women can do just about every job a man can, except bayonet duels in a barrel. When male recruiting is flowing strong, the services develop second thoughts about the capabilities of women and seem to think that women are best suited for nursing and typing.

Federal Support for the Health Professions

Uncle Sam pours great amounts of money — almost one half a billion dollars per year — into the training of health professionals. The assistance programs fall into two broad categories: **those that fund students** and **those that fund schools** which then parcel out some of their money to students.

The individually based programs are fairly easy to locate. You apply directly to Uncle Sam or through the school you plan to attend. The one bit of advice we can give you in this: you will probably gain an advantage over your fellow applicants if you indicate a willingness to practice your profession in a shortage area. Don't worry about what a shortage area is. Its definition and location will change several times between the time you apply and the time you graduate. What's important for you to know is that "shortage areas" are a big thing in the operation of the Department of Health & Human Services. It has "primary medical care shortage areas," "dental manpower shortage areas," "rural dental shortage areas," "vision care shortage areas," "podiatry shortage areas," "pharmacy shortage areas," "psychiatric shortage areas," — yes, even "veterinary care shortage areas."

School-based programs are something else. Here, Uncle demonstrates the technique of buying horses to feed sparrows. The available dollars go to schools where most become faculty aid (the reason: medical faculties are high-priced; without federal help to pay their salaries, the

schools would have to raise tuition so high that no student could afford to enroll). Your challenge is to locate the schools which garnered Uncle's grants and negotiate with deans for some of the leavings. When writing to the addresses given in the tables that follow, be sure to ask for a current list of funded schools — and be aggressive in your request. The program officers with whom you will deal usually won't understand why you need this information. They think in terms of institutions, not students. You'll have to be polite but tough and persistent.

To save space, we have used the following coding to denote medical fields. Check the coding before entering the table. **Note:** you'll find additional medical opportunities in the section on the military and minorities, elsewhere in this chapter.

A — Administration
B — Dentistry
C — Medicine
D — Nursing, Associate
E — Nursing, Diploma
F — Nursing, Baccalaureate
G — Nursing, Advanced Degree
H — Nursing, Community Health
I — Nursing, Midwifery
J — Nursing, Psychiatric
K — Nutrition
L — Optometry
M — Osteopathy
N — Pharmacy
O — Podiatry
P — Psychology, Clinical
Q — Public Health
R — Safety, Occupational
S — Social Work
T — Therapy, Occupational
U — Therapy, Physical
V — Veterinary Medicine
W — Chiropractic

INDIVIDUAL-BASED PROGRAMS

Professional Field & Program Description	More Information
A-B-C-L-M-N-O-P-Q-V-W. *Health Education Assistance Loans.* Medical, Dental, Osteopathic, Optometry, Podiatry, and Veterinary Medicine students may borrow $20,000 per year for total of $80,000. Other students: $15,000 per year (limit $60,000). Floating interest rate (91-day Treasury Bill average plus 3.5%). Program is not authorized for study at foreign medical schools.	Apply through school or write: HEAL, Room 8-38, 5600 Fisher's Lane Rockville, MD 20857
B-C-L-M-N-O-V. *Health Professions Student Loan.* Tuition plus $2,500 per year. 9% interest. Must show great financial need. Uncle will repay a good part of loan if you elect to practice in a shortage area following graduation.	Apply through school.
B-C-L-M-N-O-V in all years. **F-G-H-I-K** as need for these skills arises. *National Health Service Corps Scholarships.* All tuition and fees plus monthly stipend. Service obligation following graduation.	NHSC Scholarships, 5600 Fisher's Lane, Rockville, MD 20857 Toll-free 1-800-638-0824.
B-C-L-M-N-O-V. *Exceptional Need Scholarships.* All tuition plus stipend. Good for one year only. At completion of year, participants have priority for a NHSC Scholarship.	Apply through school.
D-E-F-G. *Nursing Student Loan Program.* Up to $2,500 per year to maximum of $10,000. Need. 6% interest.	Program at virtually all nursing schools. Apply through school.
All Fields. Must have completed two years college. *Commissioned Officer Student Training & Extern Program.* Serve as an extern (another word for intern) in medical facilities of the Public Health Service during all school breaks of 31/120 days. Get lieutenant's pay during work phases. No obligation.	COSTEP, Room 4-35, 5600 Fisher's Lane, Rockville, MD 20857.
F-G. Could expand to **B-C-M.** *VA Health Professions Scholarships.* Tuition and stipend. Service obligation to work in VA hospital following graduation.	VA Health Professions Scholarship Program, DM&S (14N), 810 Vermont Avenue NW, Washington, DC 20420.

SCHOOL-BASED PROGRAMS

Professional Field & Program Description	More Information
T-U. *Rehabilitation Training.* Monthly trainee stipends. *When inquiring, refer to Program 84.129.* (Rehab Counseling, Physical and Occupational Therapy, Prosthetics-Orthotics, Speech Pathology, Audiology, Rehab and Services to the Blind and Deaf).	Rehabilitation Services Administration, Office of Special Education and Rehabilitative Services, Washington, DC 20202.
F-G-I *(1) Professional Nurse Traineeships; (2) Nurse Practitioner Traineeships.* Annual stipends plus all tuition. Program (2) gives priority to applicants residing in a shortage area.	Division of Nursing, Room 5C26, 5600 Fisher's Lane, Rockville, MD 20857.
G. Nurse Fellowships (NRSA). Support up to 5 years for predoctoral studies, 3 years for postdoctoral studies	Division of Nursing, Room 5C26, 5600 Fisher's Lane, Rockville, MD 20857.
A-Q. *(1) Traineeships in Graduate Programs of Health Administration; (2) Graduate Level PublicHealth Traineeships.* Annual stipends plus all tuition.	Division of Associated and Dental Health Professions, HRSA, 5600 Fisher's Lane, Rockville, MD 20857.

SCHOOL-BASED PROGRAMS

Professional Field & Program Description	More Information
J-P-S. *(1) Psychiatric Nursing; (2) Mental Health - Psychology; (3) Mental Health - Sociology.* Annual stipends plus all tuition. Service obligation on completing program.	(1) Psychiatric Nursing Education Branch; (2) Psychology Education Branch; (3) Social Work Education Branch — National Institute of Mental Health, 5600 Fisher's Lane, Rockville, MD 20857.
S. *Child Welfare Training Grants.* $1,000/year at undergraduate level; higher support at graduate level. *Refer to Program 13.648.*	Children's Bureau, PO Box 1182, Washington, DC 20013.
R. *Occupational Safety & Health Training Grants.* Paraprofessional, undergraduate and graduate level. *Refer to Program 13.263.*	Center for Disease Control, Public Health Service, 5600 Fisher's Lane, Rockville, MD 20857.

A Few Billion Dollars More in Federal Opportunities

Field of Study & Program	More Information
All Fields. *Social Security Benefits.* Unmarried sons and daughters of deceased, disabled or retired parents. **No new applications. Program is being phased out.**	Nearest Social Security Office.
All Fields. *GI Bill.* Military service of more than 180 days prior to Jan. 1, 1977.	Nearest VA Office.
All Fields. *VA Dependents Educational Assistance.* Wives, children of veterans who died or were totally disabled as the result of service. Also dependents of POWs and MIAs.	Nearest VA Office.
All Fields. *Summer Employment & Summer Interns.* Competitive appointments. Approximately 40,000 per year.	Nearest Federal Job Information Center.
All Fields. *Cooperative Education.* Nearly 16,000 positions. Over 800 colleges. Students earn an average $5,000 per year toward college expenses.	For details see **Earn & Learn**, $2.00, *Octameron*, PO Box 3437, Alexandria, VA 22302.
All Fields. *Junior Fellowships.* Upper 10% in HS. Interested in federal employment. Opportunity to work in federal agencies during all college breaks. 5000 vacancies.	See **Earn & Learn** above.
Bilingual Education. Master's & Ph.D. programs in languages and teacher preparation at various universities. Stipends. For information on languages and participating schools, call	Toll-free 800-336-4560 (in Virginia call 522-0710).
Engineering & Science. Support of doctoral students. Rapidly growing program supported by the Departments of Energy and Defense. Stipends and tuition. No service obligation.	**Energy:** University Programs, Oak Ridge Associated Universities, PO Box 117, Oak Ridge, TN 37830 **Navy:** ASEE, 11 Dupont Circle, Suite 200, Washington, DC 20036. **USAF:** Office of Scientific Research, Bolling AFB, DC 20332
Graduate Fields. *Graduate and Professional Study.* 2 Subprograms: (1) *Graduate and Professional Opportunity Fellowships.* Awards designed to increase participation of underrepresented groups. (2) *Public Service Education Fellowships.* Funding for these programs has been flaky for the past two years. Master's and doctorate level. Fellows selected by schools. For school list, write to:	Institutional and State Incentive Programs, Dept. of Education, 400 Maryland Ave., SW, Washington, DC 20202.
Industrial Fields. *Inmate Scholarships.* $200 per semester. For eligibility, you must secure admission to a federal prison. Best way: conviction of a federal crime.	General Counsel, Bureau of Prisons, 320-1st St., NW, Washington, DC 20534.
International Education. *National Resource Centers and Fellowship Programs.* Graduate level. Advanced language and area studies. C.800 awards. Funded through schools. For list of schools, write to:	Office of International Education, Dept. of Education, 400 Maryland Ave., SW, Washington, DC 20202.
International Exchange *(Fulbright).* At least a BA degree. Live and study abroad for one academic year.	IIE, 809 UN Plaza, New York, NY 10017

Fields of Study & Program	More Information
Librarianship. *Library Career Training Program.* Paraprofessional and professional level. Trainees and fellows selected by funded schools. For list of schools, write to:	Office of Libraries and Learning Technologies, Dept. of Education, 400 Maryland Ave., SW, Washington, DC 20202.
Math & Science Teachers. College juniors. Scholarships. Forgiven if student becomes teacher. Program still being developed.	Public Affairs, Department of Education, 400 Maryland Ave., SW, Washington, DC 20202.
Marine Sciences. *Sea Grant Program* and *Sea Grant Fellowship Program* (undergrad & grad). Program funded through sea grant colleges. Request school list from:	Office of Sea Grants, 6010 Executive Blvd., Rockville, MD 20852.
Merchant Marine. $100/month subsistence allowance for many students at California, Maine, Massachusetts, SUNY, Texas and Great Lakes Maritime Academies. Service obligation.	Academies Program Officer, Maritime Administration, Washington, DC 20230.
Public Service. *Harry S. Truman Scholarship Foundation.* 100+ awards ($5,000/year) for last two undergrad and two grad years. Nominated by colleges. Top students. At least one award per state.	Truman Scholarship Foundation, 712 Jackson Place, NW, Washington, DC 20006.
Science. *Graduate Fellowships* (MS & Ph.D).	National Science Foundation, Washington, DC 20550.
Special Education. Career preparation training at pre-baccalaureate, baccalaureate, and graduate level — wide range of subjects supporting special education. Training funded through schools. For list of schools, write to:	Personnel Preparation, Office of Special Education, Dept. of Education, Washington, DC 20202.

The Federal Government & Minorities

Cash assistance earmarked for minority tuition benefits is extremely limited. Counseling assistance, on the other hand, is plentiful. Uncle spends somewhat more than ten times as much on minority counseling as he does on minority tuition aid. Here is one case where advice does not come cheap.

Minority/Program	More Information
Indian/Eskimo/Aleut. *BIA Higher Education Assistance Program.* Need-based scholarships and loans, undergrad and grad level.	Indian Education Resource Ctr., PO Box 1788, Albuquerque, NM 87103.
Indian/Eskimo/Aleut. *Indian Fellowship Program.* Undergrad programs in business, engineering, natural resources; grad programs in education, law, medicine. All tuition plus stipend. September apply date.	OIE Fellowship Program, FOB-6, Department of Education, Washington, DC 20202.
Indian/Eskimo/Aleut. *Indian Health Service Scholarships.* Allied health fields to include pharmacy and nursing. Two programs: *(1) Preparatory Scholarship Program.* Two years. Restricted to Indians. To assist applicants in successfully enrolling in health profession schools. Tuition plus stipend. No service obligation; *(2) Health Professions Scholarship Program.* Indians receive priority, but open to non-minorities. Tuition plus stipend. Service obligation.	Indian Health Service, Room 6A-29, 5600 Fisher's Lane, Rockville, MD 20857.
All Minorities. *Minority Access to Research Careers.* Funded through schools with substantial minority student body. Undergrad (3rd Year) and grad level. Tuition and expenses. For school list, write to:	Director, MARC Program, NIGMS, Westwood Bldg., Room 9A-18, Bethesda, MD 20205
All Minorities. *Legal Training for the Disadvantaged.* Assists students to train for legal profession. Trainees selected by funded activities. For list of activities, write to:	Institutional & State Incentive Programs, Dept. of Education, 400 Maryland Ave., SW, Washington, DC 20202.
All Minorities. *Graduates study in sciences, mathematics, and engineering.* $6,900/year.	National Science Foundation, Washington, DC 20550.

Some Tips

- Don't whistle "I've Got Six Pence" in the hearing of your financial aid officer.
- Apply for a Pell Grant under all circumstances.
- Don't listen to advice about defaulting on a student loan. It's morally wrong. It's legally wrong. And the consequences can be most painful.
- Easiest way to locate a GSL or PLUS Lender: a bank with which you have a business relation.
- When applying to colleges, ask about their National Direct Student Loan **default rate.** Schools with default rates of 25% or higher will get no new loan money from Uncle Sam. Schools with 10% to 25% rates will have their money cut. Schools below 10% are being rewarded with bigger allotments. **Lesson:** a school with a low default rate will have more money to lend out.
- Xerox a stack of copies of your income tax returns.
- Take an active interest in federal student aid legislation.

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CHAPTER 9 — MONEY FROM YOUR STATE

"The number of students eliminated from the CAL GRANT A competition last year because their applications were incomplete, inaccurate, or late, more than equaled the number eliminated because of low grades or 'no need.' "

Arthur S. Marmaduke, Director, California Student Aid Commission.

All states maintain extensive programs of grants, scholarships, tuition assistance, fee reductions and loans. Last year, **1,253,000 students** received **$976 million** in need-based state aid and **215,000 students** shared in **$101 million** of non-need-based aid.

States making the **most awards:** New York, Pennsylvania, Illinois, New Jersey, Ohio, California — in that order.

States **spending the most** on student aid: New York, Illinois, California, Pennsylvania, New Jersey — in that order.

States where the **average award is $1,000 plus** — Alaska, California, District of Columbia (we know it isn't a state), Illinois, Iowa and South Carolina.

How do **middle income families** fare in the competition for state funds? Last year, students from families with incomes over $25,000 represented 19% of all grantees, receiving 18.47% of the funds dispensed. *Not bad!*

A Summary of State Programs

Table 7 (on the next two pages) summarizes current state student assistance programs *other than state participation in the Guaranteed Student Loan and PLUS Loan programs.* With regard to these two programs, every state has a guaranteeing agency, either its own or a non-profit organization operating within the state's borders, that administers the loans. Our guide **College Loans From Uncle Sam** provides the addresses and phone numbers of these special agencies.

Here is an explanation of the **Table 7 columns.**

Need-Based Programs. These are grant programs awarded on the basis of financial need. Virtually all programs are restricted to undergraduate study. **Column 1 — In-State Study** is self-explanatory. **Column 2 — Some Other States** indicates that your state has signed a reciprocity agreement with one or more states.

Column 3 — Merit Programs. Generally, there are three kinds of merit programs. In the first type, awards are based on financial need; however, there is an academic threshold you must attain (such as a B average) to be eligible. In the second type of program, the award is based on academic accomplishment. But you must demonstrate financial need to qualify for a monetary award; otherwise, your recognition will be honorary. The last type of program is based solely on academic accomplishment. Your award is not affected by your financial situation.

Column 4 — Special Loans. These are loans separate from the loans authorized under the GSL and PLUS programs. In Alaska, it's an extremely generous program that requires two years of residency for eligibility. In other states, the loan money is usually raised through tax-exempt bonds by the state or an authorized non-profit agency operating in the state. The applications for the loans are generally handled by private (not public) colleges located in the state. Eligibility is for students enrolling in these colleges. The students **do not** have to be residents of the state underwriting the loans.

Column 5 — Math & Science. In the high-tech, educational excellence mood of 1983, many states decided to increase the mandatory hours of math and science that students must take in order to graduate from high school. This decision created a sudden shortage of math and science teachers to teach the added courses. To increase the supply of such teachers, the states checked off are instituting special student aid programs for students willing to become math and science teachers, with "forgiveness" features if the students actually end up in classrooms. If the students don't go into teaching, they must repay the aid.

Column 6 — Special Fields. This category covers a variety of programs designed to increase representation in other fields in which the state believes it has shortages. These fields may include medicine, nursing, special education, bilingual education, etc. Many graduate programs are included in this category.

Column 7 — Minority Group Programs. Usually, the beneficiaries of these programs are "Native Americans" — Eskimos, Indians, Aleutians, etc.

Column 8 — Work-Study. State operated programs similar to the federal work-study program.

Column 9 — Veterans. Special state benefits to state residents who served in the Armed Forces, usually during periods of hostilities.

Column 10 — National Guard. State educational benefits for serving in the state's National Guard. *These are in addition to federal benefits.*

Columns 11, 12, 13. Self-explanatory.

State or Territory	Need-Based Programs										Dependent of		
	1. In-State Study	2. Some Other States	3. Merit Programs	4. Special Loans	5. Math & Science	6. Special Fields	7. Minority Gp Programs	8. Work-Study	9. Veterans	10. National Guard	11. Deceased or Disabled Veteran	12. POW or MIA	13. Police/Fireman Killed on Duty
Alabama	x				x	x			x	x	x	x	x
Alaska	x	x	x	x		x	x			x		x	
Arizona	x		x		x	x				x			
Arkansas	x		x		x	x					x	x	
California	x		x			x	x		x		x	x	x
Colorado	x		x					x	x	x		x	x
Connecticut	x	x	x	x	x			x		x	x	x	
Delaware	x	x		x		x				x	x	x	x
D.C.	x	x											
Florida	x		x	x	x	x	x	x		x	x	x	
Georgia	x		x		x	x				x			x
Hawaii	x									x			
Idaho	x		x				x		x	x		x	
Illinois	x			x		x			x	x	x	x	x
Indiana	x		x			x		x		x	x	x	x
Iowa	x		x	x	x	x			x	x	x	x	
Kansas	x		x			x		x		x	x	x	
Kentucky	x		x	x	x	x		x		x	x		
Louisiana	x		x		x	x		x		x	x	x	
Maine	x	x					x			x	x		
Maryland	x	x	x	x		x	x		x	x	x	x	x
Massachusetts	x	x	x	x		x		x	x	x	x	x	x
Michigan	x		x				x		x	x	x	x	
Minnesota	x	x	x			x	x	x	x		x	x	
Mississippi	x				x	x				x	x	x	x
Missouri	x					x				x			
Montana	x		x				x		x		x	x	

Table 7: Summary of State Programs

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State or Territory	Need-Based Programs											Dependent of		
	1. In-State Study	2. Some Other States	3. Merit Programs	4. Special Loans	5. Math & Science	6. Special Fields	7. Minority Gp Programs	8. Work-Study	9. Veterans	10. National Guard	11. Deceased or Disabled Veteran	12. POW or MIA	13. Police/Fireman Killed on Duty
Nebraska	X				X					X	X	X	
Nevada	X						X			X		X	
New Hampshire	X	X	X	X		X				X	X	X	
New Jersey	X		X				X		X	X	X	X	X
New Mexico	X	X				X		X		X	X		X
New York	X		X			X	X				X	X	X
North Carolina	X				X	X	X	X	X	X	X	X	
North Dakota	X	X		X		X	X			X	X	X	
Ohio	X	X	X							X	X	X	
Oklahoma	X					X	X	X	X	X	X	X	
Oregon	X		X			X			X	X			X
Pennsylvania	X	X		X	X			X	X	X	X	X	
Puerto Rico	X									X			
Rhode Island	X	X	X					X		X	X	X	
South Carolina	X		X							X	X	X	
South Dakota	X								X	X	X	X	
Tennessee	X										X	X	
Texas	X	X	X			X	X		X	X	X	X	X
Utah	X				X	X				X	X		
Vermont	X	X		X	X	X		X					
Virgin Islands	X	X	X			X				X			
Virginia	X		X		X	X	X	X		X	X	X	
Washington	X	X	X		X	X		X		X		X	X
West Virginia	X	X	X	X						X	X		
Wisconsin	X	X					X		X	X	X		
Wyoming	X		X							X	X	X	

Table 7: Summary of State Programs

Directory of State Agencies

Alabama
(205) 269-2700
Student Assistance Program
Alabama Commission on Higher Education
One Court Square, Suite 221
Montgomery, AL 36197-0001
Joseph T. Sutton, Executive Director

Alaska
(907) 465-2962
Alaska Commission on Postsecondary Education
Pouch FP
400 Willoughby,
Juneau, AK 99811
Kerry Romesburg, Executive Director

Arizona
(602) 255-3109
Commission for Postsecondary Education
1937 West Jefferson
Phoenix, AZ 85009
Ross Erbschloe, Executive Director

Arkansas
(501) 371-1441
Department of Higher Education
1301 West 7th Street
Little Rock, AR 72201
Elizabeth N. Taylor, Student Aid Coordinator

California
(916) 445-0880
Student Aid Commission
1410-Fifth Street
Sacramento, CA 95814
Arthur S. Marmaduke, Director

Colorado
(303) 866-2748
Colorado Commission on Higher Education
1300 Broadway, 2nd Floor
Denver, CO 80203
Charles Manning, Executive Director

Connecticut
(203) 566-2618
Student Financial Assistance Commission
Board of Higher Education
61 Woodland St.
Hartford, CT 06105
John Siegrist, Director of Financial Aid

Delaware
(302) 571-3240
Delaware Postsecondary Education Commission
State Office Bldg.
820 French Street
Wilmington, DE 19801
John F. Corroon, Executive Director

District of Columbia
(202) 727-3688
Office of State Education Affairs
1331 H St., NW, #600
Washington, DC 20005
Eloise S. Turner, Chief

Florida
(904) 488-4095
Student Financial Assistance Commission
Knott Building
Tallahassee, FL 32301
Ernest E. Smith, Jr., Executive Director

Georgia
(404) 393-7253
Higher Education Assistance Corporation
2082 East Exchange Place, #200
Tucker, GA 30084
Donald E. Payton, Executive Director

Hawaii
(808) 948-6862
Hawaii State Postsecondary Education Commission
Bachman Hall, Room 124
2444 Dole Street
Honolulu, HI 96822
Carl Makino, Admin. Officer

Idaho
(208) 334-2270
State Board of Education
650 West State Street
Boise, ID 83720
Charles J. McQuillen, Executive Director

Illinois
(312) 948-8500
State Scholarship Commission
102 Wilmot Road
Deerfield, IL 60015
Keith Jepsen, Director, Grants/Scholarships

Indiana
(317) 232-2350
State Student Assistance Commission
219 North Senate Avenue
Indianapolis, IN 46202
Sheryl Stovall, Director, Scholarships/Grants

Iowa
(515) 281-3501
College Aid Commission
201 Jewett Building
9th & Grand
Des Moines, IA 50309
Willis A. Wolff, Executive Director

Kansas
(913) 296-3517
Board of Regents, State of Kansas
1100 Merchants National Bank Tower
Topeka, Kansas 66612
Gerald R. Bergen, Student Assistance Officer

Kentucky
(502) 564-7990
Higher Education Assistance Authority
1050 U.S. 127 South
West Frankfort Office Complex
Frankfort, KY 40601
Paul P. Borden, Executive Director

Louisiana
(504) 925-3630
Governor's Special Commission on Education Services
PO Box 44127, Capitol Station
Baton Rouge, LA 70804
Richard W. Petrie, Director, Loans/Grants

Maine
(207) 289-2183
Division of Higher Education Services
Department of Education & Cultural Services
Education Building
Augusta, ME 04333
Harold Grodinsky, Coordinator, State Scholarship Program

Maryland
(301) 659-6420
State Scholarship Board
2100 Guilford Avenue
Baltimore, MD 21218
H. Kenneth Shook, Executive Director

Massachusetts
(617) 727-9420
Board of Regents of Higher Education
Scholarship Office
330 Stuart Street
Boston, MA 02116
Conrad L. Kohler, Scholarship Officer

Michigan
(517) 373-3394
Michigan Higher Education Assistance Authority
PO Box 30008
Lansing, MI 48909
Ronald J. Jursa, Executive Director

Minnesota
(612) 296-5715
Minnesota Higher Education Coordinating Board
Capitol Square Building, #400
550 Cedar Street
St. Paul, MN 55101
Clyde R. Ingle, Executive Director

Mississippi
(601) 982-6168
Post-Secondary Education Financial Assistance Board,
PO Box 2336
Jackson, MS 39205
J.M. Martin, Director

Missouri
(314) 751-3940
Coordinating Board for Higher Education,
PO Box 1438
Jefferson City, MO 65102
Cathy Hess, Sr. Associate

Montana
(406) 449-3024
Commission of Higher Education
33 South Last Chance Gulch
Helena, MT 59620
William J. Lannan, Director, Special Programs

Nebraska
(402) 471-2847
Nebraska Coordinating Commission for Postsecondary Education
301 Centennial Mall South
PO Box 95005
Lincoln, NE 68509
Sue Gordon-Gessner, Asst. Director

Nevada
(702) 784-4666
FinancialAid Office
U. of NV, Reno
Rm 200 TSSC
Reno, NV 89557

New Hampshire
(603) 271-2555
New Hampshire Postsecondary Education Commission
61 South Spring Street
Concord, NH 03301
James A. Busselle, Executive Director

New Jersey
(609) 984-0806, (800) 792-8670
Department of Higher Education
Office of Student Assistance
4 Quakerbridge Plaza CN 540
Trenton, NJ 08625
Haskell Rhett, Assistant Chancellor

New Mexico
(505) 827-8300
Board of Educational Finance
1068 Cerrillos Road
Santa Fe, NM 87503
A.A. Basham, Assoc. Exec. Scty.

New York
(518) 474-5642
Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255
Dolores E. Cross, President

North Carolina
(919) 549-8514
State Education Assistance Authority
Box 2688
Chapel Hill, NC 27514
Stan C. Broadway, Executive Director

North Dakota
(701) 224-4114
Student Financial Assistance Program
Capitol Building, 10th Floor
Bismarck, ND 58505
Clark J. Wold, Director

Ohio
(614) 466-7420
Ohio Board of Regents
30 East Broad Street, 36th Floor
Columbus, OH 43215
Charles W. Seward III, Director, Student Assistance

Oklahoma
(405) 521-8262
Oklahoma State Regents for Higher Education
500 Education Building
State Capitol Complex
Oklahoma City, OK 73105
Mark Winters, Division Director

Oregon
(503) 686-4166
State Scholarship Commission
1445 Willamette Street, #9
Eugene, OR 97401
Jeff Lee, Executive Director

Pennsylvania
(717) 787-1937, (800) 692-7435
Higher Education Assistance Authority
Towne House
Harrisburg, PA 17102
Kenneth R. Reeher, Executive Director

Rhode Island
(401) 277-2050
Higher Education Assistance Authority
274 Weybosset Street
Providence, RI 02903
John E. Madigan, Executive Director

South Carolina
(803) 758-7070
South Carolina Tuition Grants Agency
PO Box 11638
Columbia, SC 29211
Edward M Shannon III, Director

South Dakota
(605) 773-3134
Office of the Secretary
Department of Education & Cultural Affairs
Kneip Building
Pierre, SD 57501

Tennessee
(615) 741-1346
Tennessee Student Assistance Corporation
B-3 Capitol Towers, Suite 9
Nashville, TN 37219
Carol Hooper, Program Administrator

Texas
(512) 475-8169
Coordinating Board, Texas College and University System
Box 12788, Capitol Station
Austin, TX 78711
Mack C. Adams, Asst. Commissioner

Utah
(801) 533-5617
Utah State Board of Regents
807 East South Temple, #204
Salt Lake City, UT 84102
L.J. Flint, Director, Special Projects

Vermont
(802) 655-9602
Vermont Student Assistance Corporation
Box 2000
Winooski, VT 05404
Ronald J. Iverson, Executive Director

Virginia
(804) 225-2141
Council of Higher Education
James Monroe Bldg.
101 North 14th St.
Richmond, VA 23219
Dr. Gordon K. Davies, Director

Washington
(206) 753-3571
Council for Postsecondary Education
908 East Fifth Avenue
Olympia, WA 98504
Shirley Ort, Associate Coordinator

West Virginia
(304) 347-1211
Higher Education Grant Program
PO Box 4007
Charleston, WV 25304
John F. Thralls, Director of Student Services

Wisconsin
(608) 266-1095
State of Wisconsin Higher Educational Aids Board
137 E. Wilson Street
Madison, WI 53702
Richard H. Johnson, Administrator, Student Support

Wyoming
(307) 766-2116
University of Wyoming
Student Financial Aids
Box 3335, University Station
Laramie, WY 82071
D. Smith, Director

Guam
734-9256
Student Financial Assistance
University of Guam
PO Box EK
Agana, Guam 96910
Franklin S. Cruz, Director

Puerto Rico
(809) 765-5082, Ext. 1136
Council on Higher Education
Box F, U.P.R. Station
Rio Piedras, PR 00931

Virgin Islands
(809) 774-4546
Board of Education
Commandant Gade,
O.V. No. 11
St. Thomas, VI 00801
Esonia M. Hassell, Executive Director

Questions You Should Ask

No two states have similar programs. Here are some questions that you should ask. They might lead you to little-known or special opportunities.

Reciprocal Arrangements. Besides the major reciprocal arrangements between states, there are often lesser arrangements which permit youngsters living near the state's border to study in the adjoining state at in-state tuition rates. Examples: *Texas, Iowa.*

Authority to study out of state when desired course program is not offered in state. Such arrangements are often supervised by consortia such as **WICHE** (PO Drawer P, Boulder CO 80302) which covers Alaska, Arizona, California, Colorado, Hawaii, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming, and the **Southern Regional Education Board** (130 Sixth St., NW, Atlanta GA 30313) which operates the Academic Common Market for graduate studies in the southern states.

Tuition Equalization programs which provide special grants to students attending private colleges in state. Such awards may or may not be need based. Examples: *Alabama, Connecticut, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, North Carolina, North Dakota, Oklahoma, South Dakota, Texas, Virginia, West Virginia and Wisconsin.* These states made 126,000 equalization grants last year, totaling $147.4 million.

Innovative programs. Be on the lookout for these. The decline in federal student aid may prompt states into greater innovation. Current examples:

- **New York:** *Tuition Deduction Plan* which permits parents to deduct from their N.Y. in-

come tax up to $1,000 per student. *PASS* plan which permits establishment of custodial accounts (to a maximum of $750 per year) for a dependent's future educational expenses. Contribution to account may be claimed as a NY State income tax deduction. (But see **Chapter 6** before you open up such an account. It may not be a break at all).

- **Virginia and Texas:** Special incentive grants to induce student of one racial group to attend a state public college or university in which another racial group makes up a significant proportion of the student body.

Military Families and Dependents. Many states offer resident tuition rates to military families assigned to the state, regardless of the family's legal residence. States where you can get this break include: *Arizona, Arkansas, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, and Wisconsin.*

CHAPTER 10 — PRIVATE SOURCES WITH FEW STRINGS

Representative Programs

Program	Description/Information
Best Products Scholarships	$300/$1,000. Renewable. Preference to applicants for technical training in field of study with good employment possibilities, live in CA, FL, MD, MI, NJ, NC, OH, PA, TX, VA & WV. Application from Best Products Scholarships, CSFA, Box 112A, Londonderry Tpk., RFD #7, Manchester NH 03104.
Chain Scholarships	College seniors who will not go to grad school, pledge to "feed" Chain Scholarship fund when able. To $2,000. Chain Foundation, PO Box 203, Armonk, NY 10504.
Edmonds	$300/3500. 3.2 GPA in HS. Clear career goal. Financial need. Edmonds Education Foundation, 5015 Fannin, Houston, TX 77004. By Mar 15.
Elks National Foundation	1100/1200 awards, from $600/$3,000. H.S. senior. Scholarship, leadership and need. Application from officer of local Elk Lodge. File by Feb. 10.
Interest-Free Loans	College students within one year of graduation. Up to $2,500/year. No interest. Repayment based on monthly earnings. Hattie M. Strong Foundation, 1625 Eye St., NW, Suite 409, Washington, DC 20006.
Knights Templar Educational Foundation	Loans. Has helped over 70,000 students. $2,500 per year to $5,000 maximum. Last two years of college (or grad school). 5% interest. Apply through divisions. Division address from Grand Recorder, Grand Encampment of Knights Templar, 14 E. Jackson Blvd., Suite 1700, Chicago, IL 60604.
Mensa Scholarships	C. 25 awards, from $200/$1,000. Based on 500-word essay competition. Apply through region. Region address from Mensa Scholarship, 1701 W. 3rd St., Brooklyn, NY 11223. By Mar. 1.
Pickett & Hatcher Educational Fund	Loan program. Preference to students who reside in SE U.S., liberal arts majors. Has helped 15,000 students. $1,800 per year to maximum of $7,200. Scholastic ability, character, financial need. 2% while in college; 6% thereafter. Apply at least two months before semester starts to Pickett & Hatcher Educational Fund, PO Box 8169, Columbus, GA 31908.
Soroptimist Youth Citizenship Award	1-$2,500 & 20-$1,000 awards. H.S. senior. Service, dependability, sense of purpose. To local club by Jan. 1 or earlier. Club addresses from: Soroptimist Federation, 1616 Walnut St., Philadelphia, PA 19103.

CHAPTER 11 — MONEY IN YOUR COMMUNITY

A Diligent Search

Just about every community offers scholarship assistance to its young citizens. The grants can vary in size from one hundred dollars to several thousand.

Community awards are circumscribed in their geographic coverage. They may include:

- **Multi-state areas.** Example: *The First Bank System Scholarship Program* for students living in Wisconsin, Minnesota, North Dakota, South Dakota and Montana.
- **A single state.** Examples: *The New Hampshire Charitable Fund/Student Aid Program;* the *Piper Scholars* program in Texas.
- **A county.** Examples: *The William J. Cook Scholarship Fund* in Cook County, Illinois.
- **A school district.** Example: *The Blandin Foundation's* awards in Itasca County, Hill City and Remer school districts.
- Locations where a **sponsoring corporation operates plants.** Example: *Potlatch, Avon.*
- **Your community.** Examples: civic associations, PTA chapters, social and professional clubs, fraternal organizations, patriotic and veterans organizations. If you are lucky and have been living in **Bloom Township (OH)** since the 9th grade, the **Wagnalls Memorial Foundation** will offer you a $1,000 scholarship for each year that you are in college.
- Your **high school.**

There is no central registry for these opportunities. You must learn about them yourself. Read the local newspaper carefully, especially the page devoted to club and community affairs. Touch base with the **Chamber of Commerce.** It might keep track of business and corporate scholarships offered in your area. And visit the **American Legion Post.** The legionnaires take a special interest in helping youngsters with their education.

CHAPTER 12 — MONEY FROM YOUR EMPLOYER

Corporate financial commitments to tuition-aid are impressive. An estimated 17 to 24 million employees are eligible for some form of tuition assistance. But only a surprisingly low three to five percent of eligible employees currently take advantage of this educational benefit.

The National Institute for Work & Learning

Going to Work for a Company That'll Pay Your Tuition

Here is a **major alternative.** Instead of going to college, get yourself hired by a company that will pay your tuition. Peter Weaver, the nationally syndicated columnist, tells the story of a young man who went to work for an insurance company right after high school. Under the company's tuition aid program, he enrolled in actuarial and business courses at the local college. It took him a little longer to get a degree via this route, but by the time he did he was already a vice-president.

Company tuition aid plans generally follow one of two forms:

- **Reimbursement Plans.** The employee pays course costs. On successfully completing the course, part or all of the costs are reimbursed by the employer.
- **Advance Plans.** The company pays the education costs in advance of enrollment.

Some plans cover only training related to the employee's job. But many more permit employees to earn associate, baccalaureate and advanced degrees.

Useful Things to Know About Company Tuition Aid

The **Revenue Act of 1978** permits employers to deduct educational assistance costs as a business expense. The courses taken at company expense do not have to be job-related to qualify as a deduction.

At the same time, workers do not have to include tuition aid in their income for taxes.

How do you find companies with tuition aid plans? The place to start is the library. Ask for the business reference section and become familiar with standard directories. After you have found the likely candidates, drop a note to the director of education and training, state that you are interested in a career in that trade or industry, and ask for information on the company's training and education programs.

If the programs interest you, approach the personnel director and apply for a job. In applying, heed this sound advice from *Changing Times, the Kiplinger Magazine:* "Don't even mention the education program in your letter of application. At this point, you're applying for a job, not an education."

Cooperative Education

Have you ever heard of "cooperative education?" It may be your answer to high college costs.

Basically, it is a program which combines formal studies with an off-campus job related to your major. The money earned on the job will, in most cases, cover college costs. There are two common methods for rotating between school and work:

- **The alternating method.** Under this method, you are a full-time student for a term or semester. You then become a full-time employee for a term or semester, with the cycle repeating itself until you graduate — usually in five years.
- **The parallel method.** Here you attend classes part time and work between 15 and 25 hours a week. You may be a student in the morning and a worker in the afternoon, or vice versa. This method, too, may require five years for degree completion.

Employers like the program, considering it, in the *Wall Street Journal's* words, "a source of realistic, work-oriented, future full-time employees." Said a GE personnel officer, "It gives us an opportunity to look at students who are coming along in school."

Some statistics about cooperative education: 1100 participating colleges, 32,000 participating employers, 200,000 enrolled students who earn $1 billion each year. The biggest employer, offering the widest choice of work sites, academic plans and career fields: Uncle Sam (15,000 students).

More information on cooperative education:

1. Two booklets — one for undergraduate and one for graduate cooperative education programs — free — *National Commission for Cooperative Education,* 360 Huntington Avenue, Boston, MA 02115.

2. Linking up with Uncle Sam's cooperative education program — the directory **Earn & Learn** with descriptions of 15,000 federal coop positions, the 40 sponsoring agencies, the career fields and location of work sites, and the names of the 850 participating colleges. *$2.00, Octameron Associates,* P.O. Box 3437, Alexandria, VA 22302.

Junior Fellowships

Another Uncle Sam program. 5000 openings for youngsters who stand in upper 10% of their class and have financial need. Provides opportunity to work in a federal agency during all academic calendar breaks — winter, spring, summer. Apply in high school.

More information on Junior Fellowships:
The directory **Earn & Learn** described above.

Internships

It's hard to draw the line between cooperative education and internships. Two general distinctions: The alternating involvement between formal studies and work, in cooperative education, extends throughout a student's college career. Internships, on the other hand, often last only one semester or one summer break. Participants in cooperative education always get a paycheck; interns may or may not. In fact, the more "desirable" the internship, the less the pay. Those that do pay generally offer students from $75 to $100 per week.

More information on internships:
National Society for Internships and Experiential Education, 1735 Eye Street, N.W., #601, Washington, DC 20006.

CHAPTER 13 — ARE YOUR PARENTS ELIGIBLE?

You may be eligible for financial assistance because your parents were in the military service or work for a particular company or belong to a union. A trade group or association can become a source of aid; so can parental membership in patriotic, civic or fraternal associations.

Locating these opportunities will require a systematic approach and considerable parental cooperation. The matrix below can help organize your search strategy.

Eligibility Category	Where to Start Looking
Military Service	*Need A Lift?* (see **Reference Section**)
Employment	Personnel Director
Union	Secretary of Local or directory *AFL-CIO Guide to Union Sponsored Scholarships,* $3.00 from AFL-CIO Department of Education, 815 16th St., NW, #407, Washington, DC 20006.
Trade Group/Association	*Volume 1, Gale's Encyclopedia of Associations*
Patriotic/Civil/Fraternal Associations	*Volume 1, Gale's Encylcopedia of Associations*

Here are examples of the information you will uncover. But remember, these are examples.

Were (Or Are) Your Parents in the Military?

Program	Description/Information
Air Force Aid Society, The General Henry H. Arnold Student Loan Program	Same terms as Federal Guaranteed Student Loan Program (see **Chapter 8**). For child of active, reserve, retired or deceased AF member. Air Force Aid Society, 1735 N. Lynn St., #202, Arlington, VA 22209.
Army Emergency Relief Educational Assistance	Unmarried children of active, retired or deceased Army members, and certain Reservists. $1,000/year scholarships or $2,500/year loan or scholarship/loan combination. Financial need. Army Emergency Relief, 200 Stovall St., Alexandria, VA 22332. By March 1.
Military Dependents	Army — active & retired. Request *DA Pamphlet 352-2*. Headquarters, DA, DAAG-EDD, Washington, DC 20314. Navy, Marines, Coast Guard — active & retired. Request *NAVPERS 15003 Pamphlet*. Dept. of the Navy, Naval Military Personnel Command (Code NMPC 64/Pers 7311), Washington, DC 20370.
Navy Relief Society	Children of regular and reserve members of Navy & Marine Corps on active duty, and of retired members. Similar to Federal Guaranteed Student Loan Program (see **Chapter 8**). Navy Relief Society, 801 N. Randolph St., #1228, Arlington, VA 22203.

Where Do Your Parents Work?

Scholarships. Many companies sponsor scholarships for employee children as part of their fringe benefit programs.

- **Merit scholarships.** C. 1500 renewable, need-based awards (ranging between $250 to $2,000) sponsored by over 300 corporations for employee children who are Merit Program Finalists (see **The As & Bs of Academic Scholarships**).
- **General scholarships** for employee children. Examples: Westinghouse Family Scholarships, Whirlpool, GEICO, Food Fair, etc.

Loans. A growing number of large concerns help make it easier for employee children to participate in the Guaranteed Student Loan program (see **Chapter 8**). The companies put up a reserve against loan defaults, then hire firms like United Student Aid Funds to administer the program and find banks to act as lenders. Ford, General Electric, Gillette, Texaco, Time, Winn-Dixie are among the biggies which provide this service. To find out if your company has such a plan, call United Student Aid Funds toll-free (800) 428-9250.

Are Your Parents Members of a...

Trade Group or Association?	Patriotic/Civic/Fraternal Association?	Union?
Owners and employees of member firms may be eligible. Examples: *National Continental Association of Resolute Employers; National Office Products Association*. Look up addresses in *Encyclopedia of Associations*.	Among many organizations making awards to members and member children: *Knights of Columbus; Beta Sigma Phi; IOOF/Rebekah; International Order of Job's Daughters; United Daughters of the Confederacy* (61 awards); Yes — even the *Society for the Preservation of Barber Shop Quartets* has sixteen scholarships. Look up addresses in *Encyclopedia of Associations*	Examples: Teamsters, Letter Carriers, Chemical Workers, Postal Workers, Hotel and Restaurant Employees, Garment Workers, Hospital & Health Care Employees, Seafarers, Transport Workers, etc. Request the *AFL-CIO scholarship booklet*.

CHAPTER 14 — MONEY FROM YOUR AFFILIATIONS

Your background, employment record, clubs, associations, religion and nationality may be the key to a financial aid opportunity. Here, as in the previous chapter, you will have to develop a systematic search strategy. The matrix below will help you get started:

Eligibility Category	Where to Start Looking
Jobs You've Held	Personnel Director
Clubs/Associations	Chapter/Club President or Advisor
Religious Affiliation	Minister or *Volume 1, Gale's Encyclopedia of Associations*
Nationality	*Volume 1, Gale's Encyclopedia of Associations*

Where Have You Worked?

Program	Description/Information
Caddie-Scholarships	Almost 2,000 ex-caddies receive more than $2 million in grants each school year. For list of sponsoring organizations, write Marshall Dann, Western Golf Association, Golf, IL 60029.
Frank Gannett Newspapercarrier Scholarships	C. 90-$4,000 awards each year to carriers for Gannett newspapers (in 35 states). Highly competitive. Application from Circulation Dept. of paper or write Frank Gannett Newspapercarrier Scholarships, Inc., Lincoln Tower, Rochester, NY 14604.

What Are Your Clubs & Associations?

Program	Description/Information
Boy Scouts of America	*Directory of Scholarships and Loan Funds* lists programs open to scouts. Request *Directory* from: Education Relationships Svc., Boy Scouts of America, 1325 Walnut Hill Ln., Irving, TX 75062-1296.
DECA Scholarship Award	DECA member. Need. Study marketing, distribution. From Chapter Advisor.
4-H Clubs & Future Homemakers of America	Extensive program for members. 4-H made 287 awards for $265,000 last year. Contact State Leader (4-H) or State Advisor (FHA).

What's Your Nationality?

Armenian
Scholarship Committee, Armenian General Benevolent Union of America, Inc., 628 Second Avenue, New York, NY 10016. March 1.

Japanese
National Youth Director, Japanese American Citizens League, 1765 Sutter St., San Francisco, CA 94115. April 15.

Italian
UNICO National, 72 Burroughs Place, Bloomfield, NJ 07003. (Applicant must reside in community with UNICO chapter.)

Polish
The Kosciuszko Foundation, 15 E. 65th St., New York, NY 10021. Specialized and graduate awards. Jan. 15.

Membership Associations (addresses in *Encyclopedia of Associations*). Examples: Danish Brotherhood in America, Lithuanian Alliance, Polish Falcons, Daughters of Penelope, Order of AHEPA, Sons of Norway, Sons of Poland, Russian Brotherhood Organization.

What's Your Religion?

Denomination	Description/Information
American Baptist	Loan program. $500/yr. to $2,000 maximum. No interest while in school, 5% during repayment. American Baptist Student Aid Fund, Board of Educational Ministries, Valley Forge, PA 19481.
Catholic	*Pro Deo and Pro Patria.* 12-$1,000 scholarships at Catholic Colleges. Also, *Student Loan Program.* **K of C Members only.** Director of Scholarship Aid, Knights of Columbus, PO Drawer 1670, New Haven, CT 06507. By March 1.
Christian Scientist	Loans. $500/$1,250 per academic year. 6% interest during repayment after graduation. The Albert Baker Fund, 703 Market St., Suite 350, San Francisco, CA 94103.
Jewish	College Jrs. & grad students preparing for careers in Jewish Community Centers. Director of Training, JWB, 15 E 26th St., New York, NY 10010.
Lutheran	Two competitive programs: (1) All-College Scholarship Program ($500/$1,750 per year). 200 renewable, 100 nonrenewable awards. (2) Competitive Nursing Scholarship Progam. 25 + renewable awards for $500/$1,750 per year. **AAL Membership a must.** Apply by Dec. 15 to Aid Association for Lutherans, Educational Benevolences, 4321 N. Ballard Rd., Appleton, WI 54919. Two noncompetitive programs: (1) AAL Lutheran Campus Scholarships. (2) AAL Lutheran Hospital Nursing Scholarship. **AAL Membership a must.** Obtain list of participating colleges from above address. C. 700 *Member scholarships* (to $1,250) and a loan program similar to the Federal GSL program (see Chapter 8). **Members only.** Scholarship & Loan Coordinator, Lutheran Brotherhood, 701 Second Avenue N., Minneapolis, MN 55402 by December 1. C. 500 awards ($300 to $600) to Lutheran students attending Lutheran Junior and Senior Colleges. Sponsored by Lutheran Brotherhood. Apply through colleges.
United Methodist	Loans. $700 per year in non-United Methodist Schools; $800 when attending United Methodist Schools. 4% interest. Repayment starts 6 months after graduation. Also 500 $500 scholarships at United Methodist Schools. Student Loans & Scholarships, The United Methodist Church, Board of Higher Education and Ministry, PO Box 871, Nashville, TN 37202.
United Presbyterian	Scholarships from $100 to $1,400 for communicant members. Must attend participating college. By Dec. 1 to National Presbyterian Scholarships, United Presbyterian Church in the USA, 475 Riverside Dr., Rm. 430, New York, NY 10027.

Tips

- Many church-controlled colleges will match denominational scholarships that you obtain on your own.
- Most Greek Letter societies offer scholarships to members on a competitive basis. Many of the awards are designed to help undergraduate members afford graduate school.

CHAPTER 15 — MONEY — BECAUSE YOU HAVE BRAINS AND TALENTS

Raising Your SAT Scores

Dan Lowen, a high schol junior in Cocoa Beach, Florida, discovered that a "correct answer" to the PSAT was in error. About 240,000 of the 800,000 students who took the test had their scores raised after the mistake was confirmed. The changes made 200 additional students eligible to compete for National Merit Scholarships worth up to $2,000 per year.

A few weeks later, Michael Galligan, a senior at Clarkstown South High School in West Nyack, New York, discovered an error in the correct answers to his SAT. In consequence, 256,000 students had their scores raised, some by as many as 20 points. In New York State alone, the increase qualified 250 students for the state's Regents scholarships.

What this correction drill demonstrates is that getting just one more correct answer can put money in your pocket. It can:

- Qualify you for National Merit or Regent scholarships.
- Push you over the eligibility cut-off line of thousands of academic scholarships sponsored by almost 1,000 colleges.
- Gain you entrance into the capstone school of a state university system where admissions are often controlled through quantifiable entrance standards (i.e. University of Texas at Austin, University of California at Berkeley).
- Help you win admission to a prestigious and selective college where scholarships and low-interest loan funds are more plentiful (42% of all private colleges include SAT cut-off scores as part of their admission requirement).
- Give you bargaining leverage when negotiating the content of a financial aid package. Your higher SAT scores make you more valuable to the school because they will help raise the entire school class "profile." Hence, the school may make some financial concessions to get you.

The hard way to raise SAT (or ACT) scores is to find an error in the scoring. The easier way is to take a good SAT preparation course. As New York Congressman Ted Weiss noted, *"Data compiled by the Federal Trade Commission in 1979 and later studied by the National Education Association showed that preparatory courses for the standardized exams do tend to improve scores."*

This may have come as news to the College Board which had, over the years, denied that coaching was effective.

But it came as no surprise to Mr. Stanley H. Kaplan who has spent the last 40 years preparing students for tests, building, in the process, a national and international chain of some 100 Stanley H. Kaplan Educational Centers (call toll-free 800-223-1782 for the one nearest you).

He has known, all along, that test preparation can help — but not just any test preparation. As he wrote us,

"There is no magic formula — no easy road. You have to work at it. Remember, only an improved student can achieve an improved score."

To this we would like to add — by all means, take a SAT preparation course. But be very cautious of "quickie" courses or courses that promise major results without any significant effort and time investment on your part.

Where Are the Rewards for the Bright?

The best listing is in **The As & Bs of Academic Scholarships**. It covers all "brain" awards offered by the federal government, state governments and private sponsors. Most important, the **As & Bs** describes the academic awards (100,000) at 985 colleges, ranging from $200 to $10,000 per year. Many of these awards, moreover, are not geared to financial need. (Available from *Octameron, PO Box 3437, Alexandria, VA 22302 — $2.75 plus $0.50 postage*).

Do You Have Brains, Leadership, Talent?

Many scholarship opportunities are reserved for young people with unusual talents and abilities. There are two major ways for linking up with these opportunities: (1) through competitions; and (2) through recommendations of teachers, coaches, bandmasters.

Ability Area	Program/Description/Information
Art	100 Art Awards. H.S. seniors. Apply Oct./Jan. Scholastic Art Awards, 50 W. 44th St., New York, NY 10036.
Arts (Dance, Music, Theatre, Visual Arts, Writing)	Scholarships, cash awards, apprenticeships, identification of talented students to colleges who may offer additional awards to prospects. H.S. seniors. **$25.00 registration fee.** Arts Recognition & Talent Search, PO Box 2876, Princeton, NJ 08541. By Oct. 3.
Brains	250-$1,000 scholarships for members of the National Honor Society. Nominations through H.S. chapter.
Brains	Finalists in the PSAT/NMSQT competition (Jr. year of H.S.) compete for c. 1500 nonrenewable $1,000 scholarships and c. 2000 renewable scholarships (worth from $250 to $2,000 per year) offered by 200+ colleges. Obtain *Student Bulletin* from National Merit Scholarship Corporation, One American Plaza, Evanston, IL 60201.
Drama	30-$500 scholarships for members of *Thespian Society* who will major in theatre arts. Nominations through H.S. chapter. Jan. 15.
General	Approved list of contests. Ask for *Advisory List of National Contests and Competitions*. $1.00. National Association of Secondary School Principals, 1904 Association Dr., Reston, VA 22091.

Ability Area	Program/Description/Information
Leadership & Brains (I)	*Josten Foundation.* Nonrenewable awards (usually $1,000 each) to recognize outstanding high school seniors. (Program is administered by *Citizens Scholarship Foundation).* Early deadline. Check H.S. announcements.
Leadership & Brains (II)	*Century III Leaders Scholarship Program.* National winner: $11,500; Nine $2,000 runners-up. Also two primary winners per state — $1,500 each — and two state alternates $500. Program is administered by *National Association of Secondary School Principals.* Program announcement placed in high schools in September. Early deadline.
Leadership & Brains (III)	*Senate Youth Program.* 104 $2,000 scholarships to elected student government officers. Selections by state. William Randolph Hearst Foundation, 690 Market St., Suite 502, San Francisco, CA 94104. By Nov. 1
Oratory & Essays	Many contests. VFW, American Legion, Optimist International, Civitan, etc.
Photography	4 scholarships, 250 cash awards. H.S. seniors. Apply October/January. Scholastic Photography Awards, 50 W. 44th St., New York, NY 10036.
Science	Westinghouse Science Scholarships. 40 winners share almost $100,000 in awards. 300 Honorable Mentions brought to attention of colleges. Requires 1,000-word project report. H.S. Science Dept. or Science Service, 1719 N St., NW, Washington, DC 20036. Dec. 15 deadline. *DISCOVER Magazine* science writing competition. $5,000 winner, $1,000 for runners-up. Essay to focus on unsolved scientific problem and research that may lead to solution. NSTA, 1742 Connecticut Ave., NW, Washington, DC 20009. By Dec. 1. *Edison/McGraw Awards.* No entry form. 1000 word report on completed experiment with practical applications. Recommendation from science teacher. Five winners share $18,000. Dr. Dean, PO Box 80953, San Diego, CA 92138. By Nov. 15.
Science (Energy)	Two **$40,000 scholarships** sponsored by U.S. Steel/National Energy Foundation to winners in the annual SEER (Student Exposition on Energy Resources). You need project, essay, recommendations. You must survive tough competition, but look at that pot of gold at the end of it. National Energy Foundation, 366 Madison Avenue, New York, NY 10017. Start very early in senior year. *DURACELL.* Design and build practical device using batteries (guess whose). $30,000 in scholarships to 16 winners. Entry forms from Duracell Scholarships, c/o Burson-Marsteller, 866 Third Ave., NY, NY 10022. By Mar. 16.
Writing	5 scholarships. Cash awards. H.S. seniors. Apply October/January. Scholastic Writing Awards, 50 W. 44th St., New York, NY 10036.

CHAPTER 16 — MONEY BECAUSE YOU'RE AN ATHLETE

"If a kid can play a sport, he can get a scholarship some place no matter how dumb he is."

Bill Serra, College Athletic Placement Service, quoted in Wall Street Journal.

We don't quite agree with Mr. Serra, but there are some 40,000 athletic scholarships out there, including over 10,000 for women. The awards are not limited to prowess in the big sports — football, baseball, soccer, basketball, hockey, track. There is scholarship money for sailing, badminton, tennis, gymnastics, lacrosse, bowling, archery, fencing, golf, synchronized swimming, skiing and volleyball.

All-star athletes don't need this book. They need an agent to sort through the offers, promises, enticements, contracts, and gifts that come their way.

This book is for the better-than-average athlete, with varsity potential in major and minor sports. What's available for this athlete? How do you link up with it? We have asked Detlev H. Suderow, and experienced coach/counselor, to share his knowledge and experience with you.

Suderow on Financial Aid for Athletes

Mr. Suderow competed in soccer and track at Lexington (MA) High School. Following graduation from Brandeis University, he recruited high school athletes as Head Soccer Coach at Bentley College. Currently, he advises high school athletes as a guidance counselor in Massachusetts.

There is considerable financial aid available at most colleges for students who also happen to be good, but not necessarily great, athletes. This aid is either "reserved" for athletes (through designated scholarships) or awarded on a preferential basis as part of the financial need packaging process.

The key to receiving consideration for this kind of aid lies in the student athlete's determination to market his or her talents. This marketing procedure is based on contacting the appropriate coach of the sport in question at the college desired, and getting the coach to shepherd the student's request for admission and financial aid through the bureaucracy of the various institutional offices. All college coaches, if convinced of a student athlete's potential contribution to their program, will take an active role in facilitating the student's admission and financial aid requests. For example, Harvard University has an admissions representative whose sole responsibility is to coordinate referrals from the athletic department.

Here is a step-by-step outline which students should follow in marketing their athletic talents:

1. Discuss with guidance counselor the range of colleges for which you are academically qualified. In selecting suitable schools, keep in mind that approximately 20% of colleges will waive their admission standards to "land" an athlete.

2. Talk to your high school coach about the range and quality of college athletic programs for which you might qualify. Don't sell yourself short. **College coaches need not only first stringers but also backup players.**

3. Narrow your college selection list to manageable size, taking into consideration the quality of academic and athletic programs and your "fit."

4. Research the name of the coach in your sport(s) at each college on your list. Best source: the high school athletic director's copy of *The National Directory of College Athletics* (there are editions for men and women of this book).

5. Draft a personal letter to the coach. This letter should include a profile of your academic interests and achievements. The letter's core, however, should be a thorough and detailed discussion of your athletic accomplishments — statistics, clippings, letters earned, records, honors. Lastly, indicate that you will require financial aid.

6. If your approach elicits interest, ask your high school coach to follow up with either a letter of recommendation or a phone call.

7. Now you must make your decision on where to apply. Few college coaches will take an interest in you unless your initial letter is followed by a formal application. And remember: here, as with any other application, apply as early as possible.

8. After applying, remain in touch with the college coaches. Inquire about the status of your application and request for financial aid. If possible, visit the college and the coach and sell yourself as a person and athlete.

Questions & Answers

Q. *What's better? An athletic scholarship or preferential financial aid packaging?*

A. Preferential packaging. If you have a personality conflict with the coach or run into a physical problem that keeps you from competing, you will lose your scholarship. The financial aid package, once it is wrapped up, will hold for a year.

Q. Do you recommend any references for further reading?

A. Yes. The National Collegiate Athletic Association (NCAA) and the Association for Intercollegiate Athletics for Women (AIAW) publish stiff rules on the do's and don'ts of recruiting athletes. Get *The NCAA Guide for the College-Bound Student/Athlete* from NCAA Publishing, PO Box 1906, Shawnee Mission, KS 66222 or the *High School Brochure* from AIAW Publications, 1201 16th Street, NW, Washington, DC 20036. The brochures are free. Women should get the *Women Sports Foundation College Scholarship Guide*, an annual directory to over 10,000 women's athletic scholarships. Write Women's Sports Foundation, 195 Moulton Street, San Francisco, CA 94123. Add $1.00 for postage and handling.

CHAPTER 17 — MONEY FROM YOUR CAREER INTERESTS

The **best way** to capitalize on your career interest is through cooperative education (**Chapter 12**). The **next best way** is to enroll in a school with a strong reputation in your career field (i.e. Agriculture — *Iowa State;* Hotel Management — *Cornell*). Strong departments usually attract scholarship funds. These funds, however, do not start flowing until you declare your major. The third — and **hardest method** — is to look for portable scholarships that will fund your major at any accredited school. The list that follows is illustrative, rather than complete. To dig for additional awards, contact (1) the organizations that provide career information in your field of interest (you'll find them in **Need a Lift?**) and (2) the professional associations which serve these

careers (locate those in **Volume 1, Gale's Encyclopedia of Associations** — in your public library reference room). *When writing, always enclose a self-addressed, stamped business-size envelope.*

Career Field	Program/Application/Information
Accounting	Scholarships, Generally $500. Undergraduates only. B average in accounting subjects. By Feb. 28 to Scholarship Foundation, National Society of Public Accountants, 1010 N. Fairfax St., Alexandria, VA 22314.
Aerospace	4-$1,000 awards yearly. Need sponsorship by association member. Tailhook Association, PO Box 40, Bonita, CA 92002. By April 30.
Art & Architecutre	Competitive scholarships. Renewable. Full tuition. Dean of Admissions, Cooper Union, 51 Astor Place, New York, NY 10003.
Blood Technology	5-$1,500 awards. Accepted or enrolled in accredited program leading to blood bank certification. AABb, 1117 N. 19th St., #600, Arlington, VA 22209.
Dental Assistant	$100/$1,000. Juliett A. Southard Scholarship Trust Fund. AA, BA, MA level. American Dental Assistants Association, 666 N. Lake Shore Dr., #1136, Chicago, IL 60611.
Dental Hygienist	AA, BA, MA awards to enrolled students with need. To $1,500. Also **minority** program. ADHA Foundation Scholarship Program, 444 N. Michigan, #3400, Chicago, IL 60611. By March 15.
Dental Lab Technology	C.30 scholarships per year. $500 to $600 for students enrolled or planning to enroll in accredited DLT program. Also **minority** program. By June 1 to American Fund for Dental Health, 211 E. Chicago, IL 60611.
Education	12-15 $500 grants to H.S. seniors planning on a teaching career. Scholarship Grants, Phi Delta Kappa, PO Box 789, Bloomington, IN 47402 by Feb. 15.
Engineering (Civil)	25/30 $1,000 awards. AGC Education & Research Foundation, 1957 E St., NW, Washington, DC 20006. By Dec. 1.
Engineering (Metals)	25-$500 scholarships. Students majoring in Metallurgy. ASM, Metal Parks, OH 44073 by June 1.
Engineering (Mining)	C.100 scholarships up to $1,000. Request *Guide to Scholarships*. Society of Mining Engineers of AIME, Caller #D. Littleton, CO 80127.
Engineering (Professional)	Top 25% H.S. standing. 3.0 GPA. V-500, M-600. 130-$1,000 awards (some higher). Renewable. Some reserved for **minorities & women.** National Society of Professional Engineers, Educational Foundation, 2029 K St., NW, Washington, DC 20006. By Nov. 15
Engineering & Science	Competitive scholarships. Renewable. Full tuition. Dean of Admissions, Cooper Union, 51 Astor Place, New York, NY 10003.
Enology	Several awards to students majoring in enology. Also information about enology awards sponsored by other groups. American Society of Enologists, PO Box 411, Davis, CA 95615. By Mar. 15
Food (Management, Dietetics, Culinary Arts)	100 Golden Plate Scholarships, $750 each; 10 NIFI-Heinz Scholarships, $1,900/$2,600 each. National Institute for the Foodservice Industry, 20 N. Wacker Dr., #2620, Chicago, IL 60606 by April 1.
Food (Dairy)	Loans up to $1,000. 2% interest rate. Dairy Remembrance Fund, 6425 Executive Blvd., Rockville, MD 20852.
Food (Management)	Local branches of Association offer $100 to $500 grants. $90,000 awarded last year. International Food Service Executive Association, 111 E. Wacker Dr., Chicago, IL 60601. By Dec. 31.
Food (Technology)	82 undergrad & grad scholarships. $500/$6,000. Scholarship Dept., Institute of Food Technologists, 221 N. LaSalle St., Chicago, IL 60601. By Feb. 1
Foreign Study	College undergraduate. Language proficiency. Travel, tuition, living costs. One year. Sponsored by the Rotary Club. Request *Scholarships Awards Handbook*, The Rotary Foundation, 1600 Ridge Ave., Evanston, IL 60201.
Foreign Study	Unique source lists scholarships offered to American undergraduates wishing to study abroad. 108 cross-indexed entries. 30 countries. *Directory of Financial Aid for American Undergraduates Interested in Overseas Study*. $9.00. Adelphi University Press, Levermore Hall 201, Garden City, NY 11530.

Career Field	Program/Application/Information
Geophysics	Need and competence. 111 + awards. Average: $800. Students taking course work directed toward career in Geophysics. Scholarship Committee, SEG Foundation, PO Box 1098, Tulsa, OK 74101. BY March 1.
Graphic Arts	C.45 scholarships, $100/$1,000. Renewable. National Scholarship Trust Fund, GATF, 4615 Forbes Ave., Pittsburgh, PA 15213. By Jan. 31.
History	NDSAR American History Scholarship, $8,000/4 years. H.S. senior. Top third of class. Major in American History. NSDAR, Office of the Committees, 1776 D St., NW, Washington, DC 20006. By Feb. 1
Horticulture	$1,000 undergraduate (Jr/Sr year) and graduate scholarships. Bedding Plants, Inc., PO Box 286, Okemos, MI 48864. By Mar. 1. Mosmiller Trainees. Combination $500 grant and apprenticeship opportunity for students enrolled in horticulture/floriculture program. SAFE Endowment, 37 Camelot Dr., Edwardsville, IL 62025.
Hotel Management	Several $1,000 scholarships. Renewable. Club Managers Association of America, 7615 Winterberry Place, PO Box 34482, Bethesda, MD 20817. By July 1.
Journalism	Excellent booklet listing $2 million in journalism scholarships. Write for *Journalism Career and Scholarship Guide*. **Has minority section.** Free. The Newspaper Fund, Inc., PO Box 300, Princeton, NJ 08540.
Laboratory	Several scholarships to help obtain an education in medical lab technology. ISCLT Scholarship Committee, 818 Olive St., #918, St. Louis, MO 63101. By Jan. 1.
Librarianship	Compendium of scholarships available for Library Technical Assistant & Librarian. Ask for booklet *Financial Assistance for Library Education*, include $1.00. Standing Committee on Library Education, ALA, 50 E. Huron St., Chicago, IL 60611. By May 1.
Medical Assistant	Maxine Williams Scholarship. Several $500 awards. Obtain accredited school list and application. AAMA, One E. Wacker Dr., Chicago, IL 60601. By May 1.
Medical Technologist	$250 scholarships for students enrolled or planning to enroll in an accredited medical technology program. American Medical Technologists, 710 Higgins Rd., Park Ridge, IL 60068. By May 20.
Medical Technology	Undergrad & graduate scholarships. ASMT Educational & Research Fund, Inc., 330 Meadowfern Dr., Houston, TX 77067. By March 1.
Music	*Request Scholarship and Awards Chart*, listing hundreds of opportunities. Include 37 cents and large self-addressed stamped envelope. National Federation of Music Clubs, 1336 N. Delaware St., Indianapolis, IN 46202.
Music (Strings)	Congress of Strings Scholarships. To 120 talented young string players annually. Congress of Strings Director, American Federation of Musicians, 1500 Broadway, New York, NY 10036.
Naval Architecture	All tuition paid. Top students. High SAT. Webb Institute of Naval Architecture, Glen Cove, NY 11542.
Nursing	Booklet, *Scholarships & Loans for Beginning Education in Nursing*. Cost: $2.50. National League for Nursing, 10 Columbus Circle, New York, NY 10019.
Nursing (Advanced)	Financial aid to registered nurses, **members of ANA**, for post-RN study. Nurses' Educational Funds, Inc., 555 W. 57th St., 13th Fl., New York, NY 10019. By Jan 15.
Real Estate Appraisers	7 undergrad, 5 grad scholarships, $1,000/$1,500. American Inst. of Real Estate Appraisers, 430 N. Michigan, Chicago, IL 60611. By Feb. 15.
Surgical Technology	Scholarships to students seeking career or already enrolled. Association of Surgical Technologists, Caller No. E, Littleton, CO 80120. By March 15.
Therapy (All)	C.175 awards per year, varying amounts, undergraduate and graduate. National AMBUCS Scholarships for Therapists, PO Box 5127, High Point, NC 27262. May 1 & Nov 1. Several $300/$400 undergraduate awards. Kappa Gamma Kappa, PO Box 2079, Columbus, OH 43216. Feb. 15.

Career Field	Program/Application/Information
Therapy (Occupational)	Several awards. Juniors & seniors in OT program. Usually $750 each. AOT Foundation, Inc., 1383 Piccard Dr., Rockville, MD 20850. By Dec. 1.
Therapy (Physical)	Free booklet, *Careers in Physical Therapy*, lists financial aid. Also some entry level and graduate awards. American Physical Therapy Association, 1156-15th St., NW, Washington, DC 20005. Excalibur Scholarships for needy students who require assistance for 3rd and 4th year of physical therapy program. Roundtable International, Excalibur Foundation, 3430 Baker St., San Francisco, CA 94123.
Therapy (Respiratory)	Various scholarships, $500/$1,000. American Respiratory Therapy Foundation, 1720 Regal Row, PO Box 35287, Dallas, TX 75235. By June 15.

CHAPTER 18 — MONEY FOR MINORITIES AND WOMEN

A Bit of Advice

Many minority members and many returning women make the tactical mistake of equating a financial aid search with a search for special scholarships. *Please, please don't make that mistake.* The fact that, statistically, the income of minority families is less than that of their majority contemporaries and the income of women is less than that of men, in equal positions, means that you already have a substantial head start in the competition for the billions of dollars in need-based aid. Take full advantage of that lead. Do all the things that **Chapters 5** and **6** tell you to do. And only after you have accomplished these tasks, take a quick peek at the addresses which follow. You might, at that time, also review some minority/women opportunities in **Chapters 8, 9,** and **17.**

Group/Major Field	Program/Information
Minorities/Accounting	Undergraduate and graduate programs. C.300 awards up to $1,000 each. Minority Recruiting, American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036.
Minorities/Architecture	Must be nominated by guidance counselor, architect, etc. Obtain nomination forms from Scholarship Committee, AIA, 1735 New York Ave., NW, Washington, DC 20006 by May 15.
Minorities/Dentistry	$2,000 for each of first two years of dental school. American Fund for Dental Health, 211 East Chicago, #1630, Chicago, IL 60611 by May 1.
Minorities/Engineering	$2 million plus awarded through schools. Get school list from National Action Council for Minorities in Engineering, 3 West 35th Street, New York, NY 10001.
Minorities/Women/ Engineering	Bell Labs Engineering Scholarship Program. All expenses. 15 awards per year. BLESP Administrator, 150 7K Parkway, Short Hills, NJ 07078. By Mar. 1.
Minorities/General Studies	*AAL Lutheran American Minority Scholarship Program.* Lutheran. At Lutheran Colleges. Apply through schools. List of schools from Aid Association for Lutherans, Educational Benevolences, Appleton, WI 54919. *Ethnic Scholarships.* Applicant must be affiliated with United Methodist Church. $500 to $1,000. Offices of Loans & Scholarships, Board of Higher Education & Ministry, PO Box 871, Nashville, TN 37202. May 1. *Native American Grants and Student Opportunity Scholarships.* Applicant must be related to the United Presbyterian Church. $100 to $1,400. After Jan. 1 to United Presbyterian Church in the USA, 475 Riverside Dr., Rm. 430, New York, NY 10027. *NSSFNS.* College advisory & referral service that gives students names of institutions where they are most likely to obtain admission, financial aid. Also small scholarship program (c. $40,000/year). NSSFNS, 562-3rd St., Brooklyn, NY 11215.

Group/Major Field	Program/Information
Minorities/Geo-Sciences	60+ awards. $250 to $1,500 to enrolled students. Academics plus need. Dr. D.D. Gonzalez, Sandia Laboratories, P.O. Box 4800, Organization 4731, Albuquerque, NM 87115 by Feb. 1.
Minorities/Non-Traditional Majors	Grants. Entering freshmen or majors in BusAd, Engineering, Sciences, Math, Pre-Med, Pre-Law, Pre-Dentistry. George E. Johnson Foundation, 8522 South Lafayette Ave., Chicago, IL 60620. Apply on Feb. 1.
Black/General Studies	*Roy Wilkins Educational Scholarship Program.* Based on leadership, scholastic record and need. 12 awards, to $1,000. By June 1 to NAACP, Youth & College Division, 1790 Broadway, New York, NY 10019.
Black/Law	Accepted to law school. Preferably in South. Earl Warren Legal Training Program, 10 Columbus Circle, #2030, New York, NY 10019 by March 15.
Hispanic Americans/ General Studies	Ask for LULAC Center nearest your location. LULAC National Scholarship Fund for Americans of Spanish Origin, 400 First Street, NW, Suite 716, Washington, DC 20001. Awards to undergraduates with at least 12 credits. National Hispanic Scholarship Fund, PO Box 748, San Francisco, CA 94101. Between 8/15 & 10/15.
Hispanic/Law	$1,000 loans to students enrolled in law school. MALDEF, 28 Geary St., San Francisco, CA 9[illegible]8. Small scholarship prog[illegible] students enrolled in law school. Puerto Rico Legal Defense Education Fund, 95 Madison Ave., New York, NY 10016.
Native Americans/ Graduate Fields	Master's and doctor's [illegible] assistance to needy students who are at least 1/4 Indian. American Indian Scholarships, Inc., Box 1106, Taos, NM 87571.
Women/Athletics	Massive listing. Jan. issue *Women's Sports Magazine.* Reprints $1.00. Women's Sports Foundation, 195 Moulton St., San Francisco, CA 94123.
Women/Banking	Undergrad & Grad awards, members and non-members. National Association of Bank Women Scholarships, 500 N. Michigan Ave., Suite 1400, Chicago, IL 60611.
Women/Beauty/Talent	*America's Junior Miss Pageant.* $1.7 million in state and national awards. Apply early in junior H.S. year. America's Junior Miss Pageant, Dept. DMO, PO Box 2786, Mobile, AL 36652. Miss America Competition. C. $2 million in scholarship awards. Executive Secretary, Miss America Pageant, Atlantic City, NJ 08041.
Women/Engineering	Pioneer program. 35/40 awards per year. $500 each. Women in Engineering Program, U. of Missouri-Rolla, 1203 State St., Rolla, MO 65401. Numerous scholarships, $200/$1,750. Society of Women Engineers, United Engineering Center, 345 E. 47th St., New York, NY 10017. *BPW Loan Fund for Women in Engineering Studies.* Write Fund, BPW Foundation, 2012 Massachusetts Ave., NW, Washington, DC 20036.
Women/Over 25 Years Old	BPW Career Advancement (over 25 years) and Clairol Loving Care Scholarships (over 30 years). BPW Foundation, 2012 Massachusetts Ave., NW, Washington, DC 20036. July 15 or Feb. 15. Training awards for women to upgrade economic status through education. Apply through chapters. Chapter address from: Soroptimist, 1616 Walnut St., Philadelphia, PA 19103.
Women/Whirly-Girls	Women pilots who wish to obtain helicopter rating. $4,000 awards. Whirly-Girls, 1725 DeSales St., NW, #700, Washington, DC 20036, by Nov. 1.

A Tip for Returning Women: If you have small children who require care while you attend class, be sure to let the college know. Your "Budget" (see **Chapter 5**) should then reflect your child care expense. This, in turn, will increase your need and qualify you for more aid.

CHAPTER 19 — SPECIAL SITUATIONS: THE HANDICAPPED, PART-TIMERS, AND THE OLD

The Handicapped

Handicapped students frequently incur special expenses while attending college. Make sure that these expenses are reflected in the student's budget (see **Chapter 5**). This, in turn, will increase your need and qualify you for more aid.

Your best source of information on special student aid is the **Office of Vocational Rehabilitation** in your state's education department.

For general information, write: **HEATH Resource Center**, One Dupont Circle, NW, Washington, DC 20036.

There are two national programs which provide some assistance:

The Alexander Graham Bell Association for the Deaf, 3417 Volta Place, NW, Washington, DC 20007, sponsors 17 scholarships, ranging from $200 to $4,000 for profoundly deaf students. Apply by April 15.

American Council of the Blind offers 12 Floyd Qualls Memorial Scholarships ($1,000 to $2,500). Toll free 1-800-424-8666. By Apr. 30.

Part-Timers

Most financial aid is based on being at least a half-time student. But take heart. The federal government's definition of "half-time" is more generous than that of most schools. Therefore, we urge you to apply for federal student aid (see **Chapter 8**). And, under current law, colleges can set aside 10% of their SEOG and CW-S funds for assistance to part time students.

Several states help part-time students. Check your state (address in **Chapter 9**).

Are You Ancient...50, 60 or Older?

If you plan to be a student for at least half-time or more, you should remember that financial aid is awarded on the basis of need and not age. Hence, you can freely compete with youngsters just out of high school and anybody else for all available financial aid.

If you plan to take just a few courses, you should know that many schools offer reduced tuition for older citizens. Many will even let you attend courses for free or on a space-available basis. Check your local college.

PART IV — LOWERING THE COST OF COLLEGE

CHAPTER 20 — IDEAS & TIPS

Picking a School That You Can Afford

There is a wide variation in college costs. School A may still cost $3,000 per year, while School B will cost you $10,000. The price difference is not necessarily related to quality. It may incorporate such factors as energy costs: the weather is a lot colder at School B than A; it costs a lot more to heat B's buildings; and B's buildings, moreover, are ancient, poorly insulated and drafty. It may be a factor of management: School A did a better job in investing its endowment than School B, getting both income and growth. Or, it might be a matter of subsidies: School A picks up hefty contributions from the state treasury, while B is on its own.

If the college cost will exceed your family contribution by a considerable amount, give some thought about how the difference will be met. If it's going to be a hefty loan component, remember that loans must be paid back. You may be dreaming of gaining independence after you graduate from college: a little sports car, a ski holiday in winter, a summer cruise to the Bahamas. Well, attach figures to these dream components. Then add up your loan repayments. And then subtract it all from $15,000 per year. And don't forget federal income tax, state tax and social security.

Suppose you meet the boy (or girl) at college that will be your mate for life. You have a fat student loan that must be repaid. Then, on that day after your wedding, your mate whispers a secret to you: "I, too, have a large student loan to repay."

Attacking the Six Elements of College Costs

Tuition. *Idea #1*—Consider your *State University or State College*. Tuition costs at public schools are lower than at private schools because the state treasury is subsidizing your education. *Idea #2*—Consider your *Community College*. It will offer studies leading to an associate degree or to a transfer to a four-year institution at a very low per-credit cost. Some students practice what is called *Mixing It Up*. They attend a community college for the first two years, then switch to a prestige college for their final years. In this manner, they pick up the halo of a prestige diploma at half the cost. *Idea #3—Shop For Credits* if you live in a large metropolitan area where you have a choice of colleges. In a recent study of 17 colleges in a metropolitan area, it was noted that costs could range from $6 per credit to $173 per credit. Even within one school there can be a sharp variation in credit costs. One college, for instance, charged $143 per credit for daytime courses and $93 per credit for the same courses in the evening and on weekends. *Idea #4*—Check for *tuition remission features*. These may include lower tuitions when more than one family member attends the school, lower tuition for maintaining high grades, and other innovative approaches (see **Chapter 7** for more examples).

Books. New textbooks cost a lot. Used textbooks cost less.

Room & Board. Be alert to the fact that high utility costs will find their way into your housing bill. Some colleges have become so concerned about their energy charges that they won't even quote you a firm room and board fee. Instead, they are coupling this cost to their own utility bills. If students waste heat or if winter is pretty ferocious, your room costs will go up. Obviously, utility costs will be a factor to contend with in the North and East of the country. It will be less of a factor in the South and along the West Coast.

Here are some other ways to cut costs: some colleges help students curb living expenses by setting up cooperative housing. Or, in towns where rentals are cheap, you may take an apartment with fellow students and save by sharing rent money and doing your own cooking. But before you get too excited about this idea, remember that rental costs, in many localities, have inflated faster than college dormitory charges. There, your real break would be to stay in the dorms.

Personal Expenses. Don't pick a college with a "social" reputation if you want to hold down costs. Don't pick a school in a different geographic location. It may require you to buy an entirely new wardrobe. Check to see if your parents' medical insurance will cover you while in college. Maintain your grade average. Good grades translate into substantially lower auto insurance payments. Check thrift shops for clothing. See if your "roomie" can cut your hair. Write home; it's cheaper than calling.

Travel. Skyrocketing gasoline costs and cut-rate air fares have turned around the conventional wisdom that the close-in college is cheaper than the far-away one. If you want to stay at a hometown school, pick one that's accessible by public transport. Or pick one that helps students form car pools. Lake Erie College will give carpoolers an $18 discount for each three-credit course they take. If your college is far away, you can save by taking fewer round trips.

Acceleration

Acceleration includes anything that will shorten your stay in college. For instance:

- The college may have a three-year program. You'll save on transportation costs. Summer tuitions are often lower than tuition charged in the fall and spring semesters. And lastly, you save the increase in costs between the third and fourth year (college costs do go up every year).
- You can start taking college courses in high school for credit.
- You may get college credit through the *Advanced Placement Program* (College Board) or the *Proficiency Examination Program* (American College Testing Program). Every fall, Harvard Univeristy, for example, permits 300 freshmen to enter as sophomores on the basis of their AP grades. That's a $10,000 savings.
- You may get credit through the *College-Level Examination Program (CLEP)*, which provides a national program of five general and 47 subject examinations. (Write CLEP, College Board, 888 Seventh Avenue, New York, NY 10106.
- You may get language credit on the MLA exam or you may get special credit through departmental exams.
- You may get credit for maintaining a high average (i.e., extra credit for As).

The External Degree Route

External degrees allow you to win a sheepskin from an accredited college or university without leaving your home or job. Such a diploma will cost less in money and time than if it had been earned through campus attendance.

How can this be? In the main, the external degree route offers academic credit for documented learning and experience that you have already acquirec and couples it with formal assessments and some round-out work that may take the form of correspondence courses.

External degrees should not be confused with

classified ad offers in the back of newspapers such as *Moneysworth* for doctorates in philosophy or divinity at the newly reduced price of $19.95.

If you want to learn more about external degrees, send for the pamphlet **Your College Degree: The External Degree Way** for $3.00, postpaid, from *ETC Associates, Box 118, Oneida, NY 13421*. Dr. Bill Haponski, author of the pamphlet, is the great guru of external degrees.

Top-Quality Education at Rock-Bottom Prices

Honors Programs are instructional packages tailored to the needs of bright and talented youngsters.

Honors programs can range from departmental to school-wide efforts. They can include individually arranged programs of instruction, independent research, interdisciplinary studies, special seminars, smaller classes and access to the top faculty. Some schools turn their honors programs into colleges within colleges, where special dormitories, classes and curricula are set aside for participants in the honors program.

No two schools approach the teaching of the bright in exactly the same way. *What is important for you to know is that a high-quality education can be obtained at schools other than the $12,000- and $14,000-per-year "most selective" colleges. In this sense, honors programs become a lower cost alternative for securing a first-class, individualized and highly challenging learning experience.*

REFERENCES

YOUR HANDY DESKSIDE REFERENCE LIBRARY

TITLE	ORDERING INFORMATION
Applying for Financial Aid	ACT, PO Box 168, Iowa City, IA 52243. Free.
Meeting College Costs	College Board Publications, Box 886, New York, NY 10101. Free.
Undergrad Programs for Coop Education	National Commission on Coop Education, 360 Huntington Ave., Boston, MA 02115. Free.
Five Federal Programs	PO Box 84, Washington, DC 20044. Free.
Need A Lift?	American Legion, PO Box 1055, Indianapolis, IN 46206. $1.00.
As & Bs of Academic Scholarships	Octameron, PO Box 3437, Alexandria, VA 22302. $3.25.
College Grants From Uncle Sam	Octameron, as above, $2.00.
College Loans From Uncle San	Octameron, as above, $2.00.
Earn & Learn	Octameron, as above, $2.00.
Financial Aid Officers: What They Do—To You and For You.	Octameron, as above, $2.00.

LIBRARY RESOURCES TO LOCATE

CATEGORY	TITLE AND PUBLISHER
College Costs	*College Planning/Search Book*. ACT, PO Box 168, Iowa City, IA 52243.
College Costs	*College Cost Book*. College Board, Box 886, New York, NY 10101.
Scholarships	*Foundation Grants for Individuals*. Foundation Center, 888 Seventh Ave., New York, NY 10019.
Scholarships	*Scholarships, Fellowships, Loans*. Bellman, PO Box 164, Arlington, MA 02174.
General	*Gale's Encyclopedia of Information*. Gale, Book Tower, Detroit, MI 48226.
Minorities	*Directory of Special Programs for Minority Group Members*. Garrett Park Press, Garrett Park, MD 20896.

APPENDIX 1—FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS (1984/1985 ACADEMIC YEAR)

PARENTS' AVAILABLE INCOME

1. **Parents' Adjusted Gross Income** from IRS Form 1040, 1040A, 1040EZ. $ _____
2. **Parents' Social Security Benefits.** $ _____
3. **Parents' Aid to Families with Dependent Children Benefits.** $ _____
4. **Parents' Other Nontaxable Income** (This may include unemployment compensation; Workman's Compensation; disability payments; interest on tax-exempt bonds; untaxed portions of capital gains; housing, food, and living allowances for military, clergy, others). $ _____
5. **IRA & KEOGH Payments** made by parents. $ _____
6. **Married Couple Deduction,** as reported to IRS. $ _____
7. **Total Income.** Add Lines 1 + 2 + 3 + 4 + 5 + 6 $ _____
8. **US Income Taxes** paid. $ _____
9. **State Income Taxes** paid. $ _____
10. **Social Security Taxes** paid. $ _____
11. **Unreimbursed Medical Expenses** which exceed 3% of Line 7. $ _____
12. **Elementary and Secondary School Tuition Expenses** which exceed 4% of Line 7. $ _____
13. **Employment Allowance.** If both parents work or your family has a single head of household who works, enter $1,900. $ _____
14. **Family Maintenance Allowance** from **TABLE A.** $ _____
15. **Total Allowances.** Add Lines 8 through 14. $ _____
16. **PARENTS' AVAILABLE INCOME.** Line 7 – Line 15. $ _____

PARENTS' ASSET INFORMATION

17. **Cash and Bank Accounts.** $ _____
18. **Home Equity.** Based on present value minus what is owed on it. $ _____
19. **Other Real Estate,** Investments, Stocks, Bonds, Trust Funds, Commodities, Precious Metals. $ _____
20. **Business and/or Farm** Net Worth from **TABLE B.** $ _____
21. **Total Assets.** Add Lines 17 + 18 + 19 + 20 $ _____
22. **Asset Protection Allowance.** From **TABLE C.** $ _____
23. **Discretionary Net Worth.** Line 22 – 21. $ _____
24. **INCOME SUPPLEMENT FROM ASSETS.** Take 12% of Line 23. $ _____

PARENTAL CONTRIBUTION

25. **Adjusted Available Income.** Add Lines 16 + 24. $ _____
26. **PARENT CONTRIBUTION** from **TABLE D.** $ _____
27. **Number in College Adjustment.** Divide Line 26 by number of students in college at same time. Quotient is contribution for each student. $ _____

STUDENT'S CONTRIBUTION FROM INCOME

28. **VA and Social Security Benefits** that student will receive in the twelve months beginning July 1, 1984. $ _____
29. **Student's Summer Earnings.** This figure is based on an expectation made by colleges. It may vary from college to college. For this drill, use $1,000. If student didn't earn $1,000, the college will, in all probability, adjust the parents' contribution upward. It wants the $1,000 and will get it somehow. **$1,000.00**

30. STUDENT'S CONTRIBUTION FROM INCOME. Add Lines 28 + 29. $ _____

STUDENT'S CONTRIBUTION FROM ASSETS

31. Add All of Student's Assets—cash, savings investements, real estate. $ _____

32. STUDENT'S CONTRIBUTION FROM ASSETS. Take 35% of Line 31. $ _____

FAMILY CONTRIBUTION

33. If one student is in college, add Lines 26 + 30 + 32. $ _____

34. If two or more students are in college, add for each Lines 27 + 30 + 32. $ _____

REFERENCE TABLES

FAMILY MAINTENANCE ALLOWANCE

Family Members (Including Student)	Allowance
2	$ 7,720
3	$ 9,640
4	$ 11,890
5	$ 14,030
6	$ 16,420
Each Additional	$ 1,840

Note: For each students over one that is in college, subtract $1,300 from the appropriate maintenance allowance.

TABLE A

ADJUSTMENT OF BUSINESS/FARM NET WORTH

Net Worth of Business/Farm	Adjusted Net Worth
To $ 55,000	40% of NW
$ 55,000 to $ 165,000	$ 22,000 plus 50% of NW over $ 55,000
$ 165,000 to $ 275,000	$ 77,000 plus 60% of NW over $ 165,000
Over $ 275,000	$ 143,000 plus 100% of NW over $ 275,000

TABLE B

ASSET PROTECTION ALLOWANCE

Age of Older Parent	Two-Parent Family	One-Parent Family
44 or less	$ 27,000	$ 21,600
45–49	$ 31,100	$ 24,400
50–54	$ 36,400	$ 27,900
55–59	$ 43,200	$ 31,900
60–64	$ 51,600	$ 37,000
65 Or More	$ 58,100	$ 40,700

TABLE C

PARENT CONTRIBUTION

Adjusted Available Income (AAI) (From Line 25)	Parent Contribution
Under (Minus $3,410)	– $750 (Negative Figure)
From Minus $ 3,410 to $ 7,000	22% of AAI
$ 7,000 to $ 8,700	$ 1,540 + 25% of AAI over $ 7,000
$ 8,700 to $ 10,400	$ 1,966 + 29% of AAI over $ 8,700
$ 10,400 to $ 12,100	$ 2,454 + 34% of AAI over $ 10,400
$ 12,100 to $ 13,800	$ 3,047 + 40% of AAI over $ 12,100
Over $ 13,800	$ 3,735 + 47% of AAI over $ 13,800

TABLE D

CONTRIBUTION FROM TAXABLE INCOME

Family Size	Contribution from TI
1	70% of TI up to $ 7,800, 90% thereafter
2	70% of TI up to $ 10,500, 90% thereafter
3	70% of TI up to $ 13,900, 90% thereafter
4	70% of TI up to $ 16,600, 90% thereafter
5 Or More	70% of TI up to $ 21,100, 90% thereafter

TABLE E

ASSET PROTECTION ALLOWANCE INDEPENDENT STUDENT

	Family Size of	
Age	One	Two Or More
Under 25	0	0
26	$ 1,700	$ 1,300
29	$ 8,000	$ 5,500
32	$ 12,000	$ 9,600
35	$ 17,200	$ 13,800
38	$ 22,300	$ 18,000
40 Or More	$ 25,800	$ 20,700

Note: For in-between ages, interpolate.

TABLE F

APPENDIX 2—FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS (1984/1985 ACADEMIC YEAR)

Note: *All income and tax information is to be estimated for the 12-month period beginning July 1, 1984. Asset information is based on their value as of the date you file your need analysis form.*

CONTRIBUTION FROM INCOME

1. **Student and Spouse's Taxable Income.** $ _____
2. **U.S. Income Taxes** paid. $ _____
3. **State Income Taxes** paid. $ _____
4. **Social Security Taxes** paid. $ _____
5. **Total Allowances.** Add Lines 2 + 3 + 4 $ _____
6. **Available Taxable** Income. Line 1 – Line 5. $ _____
7. **CONTRIBUTION FROM TAXABLE INCOME.** From **TABLE E.** $ _____
8. If Line 7 figure is less than **$1,200** for a single student and less than **$5,400** for a married student, use **$1,200** or **$5,400** instead. $ _____
9. **VA Benefits.** $ _____
10. **Social Security Benefits.** $ _____
11. **Other Non-Taxable Benefits** See Lines 3 & 4 of **APPENDIX 1.** $ _____
12. **CONTRIBUTION FROM INCOME.** Line 7 or Line 8 plus Lines 9 + 10 + 11. $ _____

CONTRIBUTION FROM ASSETS. (Combine Assets of Student and Spouse.)

13. **Cash and Bank Accounts.** $ _____
14. **Home Equity.** Based on present value minus what is owed on it. $ _____
15. **Other Real Estate,** Investments, Stocks, Bonds, Trust Funds, Commodities, Precious Metals. $ _____
16. **Business and/or Farm** Net Worth from **TABLE B.** $ _____
17. **Total Assets.** Add Lines 13 + 14 + 15 + 16. $ _____
18. **Asset Protection Allowance** from **TABLE F.** $ _____
19. **Discretionary Net Worth.** Line 17 – Line 18. $ _____
20. **CONTRIBUTION FROM ASSETS.** Multiply Line 19 by 35% if you are single or married without children. Multiply Line 19 by 12% if you are single but have dependents or are married with a family size greater than 2. $ _____
21. **TOTAL CONTRIBUTION.** Add Lines 12 and 20. $ _____

Note: For an older student, the LINE 21 figure may seem astronomical.

For this situation, the need analysis people have invented the **Independent Student Allowance (ISA)** which provides colleges with guidance on living expenses for independent students who **do not** live on campus. If the ISA is added to tuition, fees, and book costs, a student expense budget emerges which is substantially higher than that for a dependent student. Take a look at **TABLE G.**

INDEPENDENT STUDENT ALLOWANCE

Family Size (Including Student)	Student's Age	
	Under 34	Over 35
1	$ 5,400	$ 5,500
2	$ 7,240	$ 9,910
3	$ 9,550	$ 12,490
4	$ 11,400	$ 15,410
5	$ 14,[illegible]50	$ 18,180
6	$ 17,100	$ 21,270
Each Additional	$ 1,550	$ 1,930

TABLE G

ORDERING INFORMATION

We were pleased to prepare this book for the National Association of Secondary School Principals in support of that organizations' absolute commitment to excellence in education.

If you liked this book, you will like the many other student financial aid guides which we research, prepare, and publish.

PUBL. NO.	TITLE & PRICE	DESCRIPTION
1	Student's Guide to Scholarships & Loans $2.75	Please order under Commercial Title: *Don't Miss Out.*
2	The As & Bs Of Academic Scholarships. $2.75	Money for being bright! Over 100,000 merit awards at almost 1,000 colleges described in full detail. Best of all, most of the scholarships are not based on financial need. Also included, the major merit awards sponsored by Uncle Sam, the states, and private groups.
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Octameron Press
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(703) 836-1019